# The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917


# Japan Prepares for Fascist War---Or Financial-Economic Chaos

## ARTICLES IN THIS ISSUE


Government Threatens Drastic Action Against Rebels; Wang Declares No Compromise With Reds

Danger-Points in the Japanese-Nazi Alliance

Catholic "Action" Program Against Communism—China and the Eucharistic Congress at Manila

Japan, Completely Militarized, Is Ready for a Fascist War—Or Financial Chaos

Rising Cost of Living Becomes Major Political Issue in Japan

Communists Again Active in South China *(By the Review's South China Correspondent)*

China Militarism Due to Superstition . . . . By Chien Tsen-hai

China's Determination to Abolish Opium and Narcotics . . . . . By C. Y. W. Meng

Japanese-German Alliance Disastrous to German Trade . . . . . By M. G. Shippe



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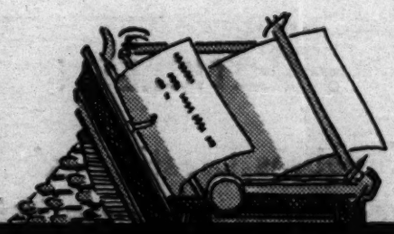

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# The China Weekly REVIEW

Formerly Millard's Review

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## Contents

**Editorial Paragraphs**

Danger-Points in the Japanese-Nazi Alliance ..... 251
Catholic "Action" Program Against Communism —China and the Eucharistic Congress at Manila 252
Japan, Completely Militarized, Is Ready for a Fascist War—Or Financial Chaos ..... 256

**Special Articles**

Government Threatens Drastic Action Against Rebels; Wang Declares No Compromise With Reds ..... 260
China's Determination to Abolish Opium and Narcotics.....By C. Y. W. Meng 264
China Militarism Due to Superstition ..... By Chien Tsen-hai 266
Communists Again Active in South China..... 268
Japanese-German Alliance Disastrous to German Trade .....By M. G. Shippe 270
Rising Cost of Living Becomes Major Political Issue in Japan ..... 272
Who's Who in China ..... 279
Men and Events ..... 280
New Books of Interest in the Far East..... 282

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## DANGER-POINTS IN THE JAPANESE-NAZI ALLIANCE

TWO articles and a book review contributed to this issue of *The Review* referring to the Japanese-German military alliance are evidence of increasing concern in both Chinese and Occidental circles regarding the dangers involved in this pact. In the first place it is ridiculous to expect intelligent foreigners or Chinese to believe that any country in Europe or America could conclude a military pact in Asia and then claim as Germany has done that its Asiatic policy is independent of its policy in Europe or America.

No further explanation than that included in the daily news dispatches is required in explanation of Nazi meddling in the Spanish revolution and open Nazi gestures toward the Spanish colony in Africa. While Dr. Hjalmar Schacht, German Minister of Economics, has sought to modify and clarify Germany's demand for colonies, and declarations have been made trying to show that Nazi hunger for colonies does not extend to the Orient, most intelligent persons realize the facts behind the propaganda smoke-screen. Of course Germany is ambitious for Oriental colonies and while the original reports pointed toward the Netherlands Indies as the initial objective, it is obvious that the Nazis are interested further afield and if there are any educated Chinese who are not aware of German ambitions here they should go to Tientsin and listen to the gossip there about the "restoration" of the Tientsin concession.

When the Japanese army started out in 1931 its general staff thought it could seize most of China without the necessity of dividing the spoils with others. But now that the Chinese are beginning to resist, Japan feels the need of European help so the Japanese army went to the German Nazis who possessed similar colonial ambitions.

Germany and Japan are intriguing to force China into the "anti-red" pact, which is merely a clever scheme for ham-stringing China's military resistence and thus facilitating the conquest of the country.

# Catholic "Action" Program Against Communism—China and the Eucharistic Congress at Manila*

THE fact that Catholic organizations in China are sending several hundred delegates to Manila indicates Chinese interest in the Thirty-third International Eucharistic Congress scheduled to be held in the Philippines from February 3 to February 7. The total number of Catholics from various parts of the world, including China and the Philippines, who are expected to visit Manila during the Congress, will exceed a half million. Most of them will, of course, be Filipinos; but practically every Catholic organization in the world will be represented directly or indirectly.

The decision of the leaders of the Catholic Church to hold the Thirty-third International Eucharistic Congress in Manila was a matter of considerable significance, because it represented a most serious effort on the part of the Church to solve problems intimately concerning the future of the organization not only in the Philippines and the Far East, but also in Europe and the United States. From the standpoint of the Far East the Philippine Commonwealth is the only place where the Catholic faith has obtained a secure and dominant foothold. It is recorded that the first Filipino to be converted to the Catholic faith was the chieftain of Cebu, who was converted by Magellan on that famous explorer's trip around the world in 1519-1522. For a period of nearly four centuries the Catholic Church has constituted the most important religious influence in the Philippine Islands. It is probably correct to say that fully 90% of the 14,000,000 present-day Filipinos are members of the Church. The existence of hundreds of venerable church edifices and religious schools throughout the Islands certify to the importance of the Church in the lives of the Filipinos.

While the program of the forthcoming Eucharistic Congress as announced to the press follows more or less stereotyped lines similar to previous Congresses, this does not mean that the leaders of the Church, who will assemble in Manila, will overlook fundamental problems affecting the future of the organization. The fact that the leaders of the Church are turning their faces toward the Orient is important in view of recent developments in Europe which have adversely affected the organization. It is obvious that serious attention will be concentrated on oriental repercussions to problems which have developed in such European countries as Germany, Austria, Italy, and particularly Spain.

Evidence of the serious interest of the leaders of the Catholic Church in the solution of problems which have shaken the very foundations of the organization in Europe was provided in an important address delivered by His Grace, the Most Rev. Michael J. O'Doherty, Archbishop of Manila, before a gathering of 10,000 Catholic students at Manila on Sunday, November 22. The meeting was held in an athletic stadium erected in honor of the Filipino patriot, Jose Rizal, who was executed as a revolutionist by the Spanish authorities on December 30, 1896. While Rizal was charged with conspiracy to overthrown the government by armed force, opinion is quite universal that he met his death because of accusations against certain religious orders of the Church which appeared in his book, "Noli Me Tangere."

Archbishop O'Doherty in the course of his address before the Catholic students referring to the civil war in Spain declared that Catholicism is the great bulwark against Communism. In this connection he said, "Thousands of valuable lives have been sacrificed in the civil war in Spain, but it is preferable to fight now than to allow the nation to perish by having imposed on it a false

*Among the high Church officials scheduled to be present is the Papal Legate, Denis Cardinal Daugherty of Philadelphia, who sailed from the United States on December 26, and is due to arrive in Manila on February 1. Accompanying him as members of the Papal Mission are Mons. J. Carroll McCormick and Mons. Louis Fitzpatrick, also of Philadelphia. In addition the Catholic hierarchy of England and Wales will be represented by the Rt. Rev. Michael McGrath, Bishop, who will be accompanied by the Rev. C. C. Martindale, a member of the Jesuit Order and of the Permanent Committee of International Eucharistic Congresses. Cardinal Daugherty, while in Manila, will be the guest of President Manuel L. Quezon of the Philippine Commonwealth at Malacanan Palace.

The Congress is scheduled to open on February 3 with the reading of the Papal Brief and the salutation of the Papal Legate, followed by the Benediction of he Blessed Sacrament, which will remain exposed in the Cathedral of the Immaculate Conception and other main churches in Manila throughout the Congress. Following this ceremony the next three days of the Congress have been designated as "men, women and children's days" and will consist of indoor and outdoor masses and religious ceremonies.

On Sunday, February 7, the last day of the Congress, masses will be said in all the churches, as well as at the huge open-air altar erected on the Luneta parkway facing Manila Bay. This will be followed by the solemn procession and Benediction of the Blessed Sacrament. The Pope's personal blessing, which will be received by radio, will be broadcasted through loud speakers throughout Manila and other large cities of the Commonwealth. In addition to the ceremonies in Manila, Catholic churches throughout the world, including China, will hold special services. The Cathedral of the Immaculate Conception, where most of the services will be held, dates back to 1870 and is the fifth Catholic edifice to be constructed upon the site, the first four having been destroyed by earthquakes, fires or typhoons.

system of morality and economics. . . ." The Archbishop did not describe specifically conditions existing in the Philippines, which he regarded as conducive to the growth of Communism, but he referred indirectly to the problem of agrarian unrest which prevails among the Filipino peasant farmers to such an extent that there are almost daily reports in Manila newspapers of serious uprisings of peasants and clashes between peasant renters and landlords. He declared, "You know that violent means of settling this economic problem have already been tried in the Islands, resulting in deaths of a few rich people, but exacting a terrible toll from the poor misguided men who took the law of the land into their own hands. The result was no betterment of the lot of our poor brethren."

Specifically the Archbishop recommended the creation of so-called vigilance committees of Catholic Action in every parish of the Islands dedicated to the solution of the social economic problem. He opposed regimentation of the population and particularly denounced the adoption of so-called Five Year Plans, which did not bring prosperity. Reforms, he declared, cannot be brought into effect by mere talk and pious aspiration. "There is little use in preaching to those who are hungry and starving. First give them work with a living wage for themselves and their families, and then they will be inclined to listen to us. The solution of the economic problem must be founded on fraternal charity. We must cease to look on our employees as rivals in the pursuit of money and regard them as brethren, whose dignity demands of us every reasonable sacrifice for its protection. We must realize the existence of social and economic problems, which are rocking to its foundations the civilization which for 2,000 years has prevailed in the world."

He declared that corporations, presumably having in mind the large landed estates owned by the Church or prominent members of the Church, should provide employment for workers at a living wage, even at the cost of reduced dividends, and when that policy did not relieve the problem, it remained for the State to provide employment on useful public works. "It shall be the duty of the State to induce as many as possible of the humbler classes to become owners."

Whether the Catholic Church which is described in the *Handbook* of the Philippines as "the most potent organization which has materially and spiritually shaped and built the Filipino nation for the last 375 years" will be able to guide the new Commonwealth through the sea of economic and social problems facing the new oriental republic remains to be seen. Of special concern to Americans as guardians of the Islands until complete independence comes into effect is the question whether the Church in the Islands will be able to solve certain specific problems, many of which directly concern the organization as administered by some 1,400 native and foreign priests and some 1,800 sisters.

The most serious problem, which many claim is as acute today as it was at the time of the American occupation nearly four decades ago, is that of the so-called friar lands. The American authorities sought to solve this problem at the very be-

## BRITISH RECOGNITION FOR PRESIDENT MANUEL L. QUEZON

**Commander Eric R. Bent, D. S. C., R. N. (center) of the British cruiser Berwick, who was the first foreign naval commander to fire an official salute (19 guns) in honor of President Manuel L. Quezon of the new Philippine Commonwealth. The British cruiser Berwick, usually stationed at Shanghai, made a friendly call at Manila early in December and was the first of some 20 British warcraft scheduled to visit Philippine ports early in the present year. In addition to Commander Bent and President Quezon (right) there also was present L. H. Foulds, until recently Acting British Consul-General at Manila. The picture was taken at Malacanan Palace, Manila.**

ginning of their rule, when Governor William H. Taft was sent to Rome to negotiate with the Pope for the purchase of friar lands and their redistribution among tenants. The question was a pressing one at that time, because 60,000 tenants were in open rebellion against three Catholic orders, the Dominicans, Augustinians and Recollectos, who owned more than 400,000 acres of the choicest agricultural lands in the archipelago, besides large holdings in the city of Manila. After long negotiations, complicated by the transferance of land to third parties, including British corporations in Hongkong, Governor Taft succeeded in reaching an understanding with the Pope, whereby the Filipino Government purchased the bulk

of the lands from the Catholic orders for a sum equivalent to G$7,239,000.00. The lands were then resold to tenants on easy time payments extending over a period of twenty-five years. But while this adjusted an immediate crisis which prevailed at the time of the American occupation, the same problem still exists, because President Quezon declared in the course of a press conference on December 18 last that he favored the utilization of a sum amounting to approximately to U.S. $30,000,000.00 in the Washington Treasury for purchasing large landed estates and reselling the land to tenants on easy payment terms. The money was derived from a processing tax on coconut oil imported into the United States from the Philippines.

The exact amount of land still held by religious orders in the Philippines is a state secret which the Commonwealth Government, if it possesses the information, has steadily declined to disclose. Recently it was unofficially reported by certain officials that church corporations and their affiliates directly or indirectly still control approximately 25% of the national wealth of the Philippines. It was claimed that where these lands and other properties where administered directly by the Church that little difficulty existed in relations between landlord and tenant, but most serious difficulties arose where Church properties were leased to third parties and then sublet to native tenants at exhorbitant rates.

While the situation in Spain has been hopelessly complicated by interference and intervention by Russian communists and Italo-German fascists it is a known fact that a fundamental cause of the Spanish trouble originally was a serious agrarian problem involving the ownership of large tracts of land by non-resident proprietors, who lived in Paris and sublet their holdings to third parties who exploited the peasants. That a somewhat similar situation, a hangover from the Spanish administration, still prevails in the Philippines was indicated by reports in the three leading newspapers, the *Bulletin*, *Tribune* and *Herald* referring to twenty-five clashes between police, landlords and tenants, involving considerable bloodshed, which occurred between November 20 and December 17, or within a period of approximately one month.

That there was a realization of the seriousness of the situation was indicated in the last session of the National Assembly, the first to be held under the new Commonwealth regime, in which much legislation was passed in an effort to improve conditions. The legislation included creation of industrial courts, an act defining and regulating legitimate labor organization, several laws designed to ease credit and facilitate the marketing of agricultural products. But generally it was recognized that little permanent relief could be expected so long as the fundamental problem of the large landed estates remained unsolved.

The inspiration for developing a strong military organization was based on a desire to control social unrest fully as much as it was based on a desire for national defense.

That social unrest resulting from economic maladjustment is likely to be translated into political protest was indicated in the activities of various radicalist organizations, the chief of which bears the name of Sakdalistas. The word, "Sakdal," is derived from the Tagalog dialect and means, "We protest." While many insist that the Sakdals have merely fallen heir to radical doctrines once held by President Quezon's Nationalista Party, which has now grown conservative, others perhaps better informed claim that the party exemplifies in the Philippines that new Moscow ideology known as the "United Front against Fascism." It was this organization which attempted to overthrow the Government by force shortly following the creation of the new Commonwealth. It is not without significance that the leader of the Sakdals, Benigno Ramos, who once was secretary to President Quezon, is now residing in Japan as a political refugee. Although the Japanese officially abhor all brands of radicalism, or "dangerous thoughts" they have permitted this outstanding Filipino radical to reside in their country, from whch vantage point he distributes manifestos and other declarations throughout the Philippine Islands.

## BISHOP YU PIN HEADS "ACTION" GROUP IN CHINA

According to a report circulated by the official *Central News* on Jan. 18, Bishop Paul Yu Pin, Vicar Apostolic of Nanking, has been appointed head of the organization of Chinese Catholic Youths and Catholic Action in China, thus indicating that the program of social and economic reforms in the Philippines is also to be extended to China. After delivering a series of lectures in Canton and Hongkong Bishop Yu Pin was scheduled to proceed to the Philippines to attend the Eucharistic Congress.

The *North-China Daily News* on Jan. 19, published a summary of a statistical report indicating a remarkable increase in the number of Catholic converts in China. The report was summarized from *Annuaire-1937*, compiled by the Jesuit Fathers in Shanghai and published by the Siccawei Press. According to the report the number of converts to the Catholic faith in China and the Manchurian provinces reached the record total of 106,316 for the year from July 1, 1935 to June 30, 1936. The Catholic population in China at the end of the statistical year stood at 2,934,175 and was expected to reach 3,000,000 by Easter. The remainder of the report was as follows:

Converts are reckoned as the number of adults baptized in the course of the year after, having given satisfactory evidence of both sincerity and sufficient instruction. For

the first time in the history of China their annual total surpasses 100,000. The exact figure, 106,316, represents a 10 per cent increase over the preceding year's results, which in their time constituted a record. The latest success is not, however, particularly surprising, for the last six years have indicated a decided uptrend:

| | |
|---|---|
| 1930/1 | 49,448 |
| 1931/2 | 58,071 |
| 1932/3 | 69,547 |
| 1933/4 | 82,145 |
| 1934/5 | 96,680 |
| 1935/6 | 106,316 |

Catechumens, or prospective converts, aggregate 526,673, a figure exceeding that of last year by over 31,000. The sum total of all registered baptisms for the year falls just short of 600,000. The exact number is 599,123, about 33,000 more than the year before. It includes, besides the official conversions just mentioned, the baptisms of 44,774 adults when mortally ill, 100,305 children of Christians, and 347,728 other infants in danger of death from sickness or exposure.

The census figure, 2,934,175, reveals a net augmentation for the year of 115,336, or slightly over 4 per cent. The augmentation of the year before was a little over 3½ per cent. This numerical increase of Catholics took place at a rate approximately six times that of the people as a whole. The proportion of Catholics to the general population (given by the "Annuaire" as 483,800,000) works out at just 0.06 per cent, in other words, one Catholic for every 165 persons.

### MONGOLIA LEADS

The actual density of the Catholic population in each of the 20 regions into which China is eccl siastically divided varies widely. It is lowest in Kwangsi with but one Catholic to every 1,000 persons, and highest in Mongolia, where one out of every 25 persons is a Catholic. In the Hopeh Region, the average is one in 40. As regards the individual vicariates or mission areas, that of Peiping ranks highest with a proportion of one in fifteen. The vicariate of Shanghai averages one in 143, and that of Canton one in 260.

The difference between the net augmetation (115,336) and conversions (106,316) may be accounted for by the preponderance of births over deaths and also to some extent by the fact that among those baptized in expectation of death and not officially counted as converts a number normally recover and take their place in the ranks of the Catholic population.

There has been a manifest growth and expansion of the missionary body. The ranks of the priests, religious brothers and nuns have undergone respective augmentations of 5½, 8 and 6 per cent. The Chinese constitute a fair majority of the missionary body: they account for two-fifths of the total of 4,452 priests, over half (55 per cent.) of 1,263 brothers, and nearly two-thirds (63 per cent.) of 5,746 sisters. There are thirteen Chinese bishops and ten Chinese prefects apostolic. Of the total of 129 ecclesiastical areas (including Manchoukuo), the Chinese shoulder full responsibility for 23, or one out of every six.

As regards the number, 3,626, of Chinese Catholic nuns, it seems noteworthy that 70 per cent of them belong to exclusively Chinese congregations and that the remaining 30 per cent. already constitute one-third of the membership in China of the fifty congregations transplanted from abroad.

That the forces of the Catholic missionary personnel, though not inconsiderable, are still far from adequate may be readily inferred from the fact that there is on the average but one priest to every 106,000 inhabitants.

### MANY NATIONS REPRESENTED

Of the total of 129 mission areas, 21 are confided to the diocesan clergy, commonly called secular priests. The remaining 108 are assigned to 25 religious orders or congregations: the Franciscans (O.F.M.) have 24, the Paris Foreign Mission Society 14, the Lazarists or Vincentians 13, the Jesuits and the Society of the Divine Word 7 each, the Dominicans and the Milan Foreign Mission 5 each, the Maryknoll Society 4, the Augustinians and the Capuchins 3 each, the Fathers of St. Columban and the Parma Foreign Mission Society 2 each, and twelve other congregations one each. In addition, nine congregations not officially charged with a mission area share their labours with others; 36 distinct nationalities are represented among the personnel of Catholic missions in China.

The future clergy, the seminarists, continue to show great promise. Major seminarists increased by 48 to a total of 983; minor seminarists, including probationers, advanced by 65 to 5,992.

Lay catechists number 13,339, school teachers in the strict sense 15,202. Approximately 40 per cent of each category are women. While the former have undergone a diminution of 478, the latter have increased by 605. This would seem to argue a widespread effort to place added emphasis on general education even at the cost of retrenchments in other important spheres of missionary activity. Including the so-called prayer-schools, there are 16,197 schools with a total enrollment of 435,522 pupils.

A total of 1,434,055 Catholics discharged their obligation of going to confession at least once during the year, and 1,342,237 that of receiving Holy Communion. The annual totals of confessions and communions were respectively 11,282,177 and 28,708,551. Such figures are a good index of genuine religious vitality, for they imply innumerable acts of self-denial and an immense expenditure of personal effort.

## American Methodists Accuse Vatican of Supporting Fascism

A declaration that the Vatican is politically supporting Fascist dictatorships in Europe and also Gen. Francisco Franco's rebel government in Spain was made in New York Jan. 18 by the Social Service Federation of the Methodist Episcopal Church. The statement emphasized that the Federation was not attacking either the Roman Catholic Church or its religious policies, but rather the political policies of the Vatican.

### Filipino Catholics in Washington to Say Mass Commemorating Opening of Congress

Under the auspices of the Filipino Catholic Association of America, a solemn high mass will be said at St. Aloysius' Church in Washington, D. C., Feb. 7, commemorating the close of the Eucharistic Congress at Manila. The mass will be followed by a luncheon at which Senator David. Walsh of Massachusetts will be the principal speaker. The Committee on arrangements consists of Senor Diosoado Yap, director of the Philippine Information Bureau in Washington, and Senores Eustaquio de Leon and Antonio Aquino.

## More Than One-Third of Silver Imports into U.S. Last Year Came from China

Silver imports into the United States in 1936 were valued at $182,816,000, a decrease of $171,715,000 from the 1935 total. while exports of the white metal were $2,965,000, as against $18,801,000 for the preceding year. Of the total imports of silver during the past year $69,996,000 came from China, as compared with $29,997,000 the previous year.

## Handy & Harmon Favor Repeal of U.S. Silver Purchase Act

The principal fetaure of Handy & Harmon's annual silver report issued in New York Jan. 18 was that this prominent bullion firm recommended the repeal of the Silver Purchase Act of 1934. Such a move is being opposed by J. W. Robinson, Representative from Utah, who declared, "I think that the measure has accomplished much for the West, and it has given us a higher price for silver."

### U.S. Concerned at Japanese Exchange Control

U. S. Administration officials expressed concern at the Japanese Exchange Control program announced in Tokyo Jan. 8, asserting that they were being bombarded by businessmen's complaints that they have been unable to obtain foreign exchange.

# Japan, Completely Militarized, Is Ready for a Fascist War—Or Financial Chaos

WITH her belt tightened, Japan anxiously greets 1937. The auguries are all unhappy. Internally, there is a serious economic crisis, a deepening of social fissures, political unrest. Externally, there are powerful foes, ever-mindful of Nippon's past aggressiveness, alarmed by her new alliances.

Fascism, brought to Japan eleven months ago on the bayonets of a few fanatical soldiers, has already wrought momentous changes in the political, economic and social structure of the state. The mutiny of Feb. 26, was ruthlessly suppressed, but the rebels' plans for the creation of a totalitarian state were taken over by the Fighting Services and imposed upon the unwilling populace.

The main item on this program, delightfully termed the "Showa Restoration", was the militarization of the nation, along patterns indicated by Germany and Italy. The country's entire economy is in the process of reorganization, designed to prepare Japan for the strain of a major war. Steps have been taken to ensure an adequate supply of raw materials. Millions of yen have been poured into the production of oil from coal, with the blessings of the Navy. Salt, so necessary in the manufacture of poisonous gases, is being brought from the fields of North China,—the newest addition to Japan's economic empire. Determined steps are being taken to expand the production of coal and iron in North Japan, Korea, Manchuria and North China.

The munitions industry, milk-fed by record expenditures for military needs, is enjoying an unprecedented boom. Japan's dockyards, feverishly building crack warships and super-speed freighters, are refusing new orders until 1939. Plans have been drafted to place the electric power industry under rigid state control, to ensure an efficient supply of cheap power for the munitions industry.

To check opposition to the high expenses for defense, whose cost will eventually be borne by the taxpayers, the Army and Navy place their orders with big and small enterprises alike, throughout the entire nation. Japan has been transformed into a gigantic war plant, controlled by the Fighting Services and producing solely for battle.

"HEIL JAPAN-GERMAN ALLIANCE, BANZAI!"

—*Washington, D. C. Daily News*

To keep up this economically wasteful production, Japan, for some years has been obliged to expand her national debt by about Y.750,000,000 annually. This deficit has been raised to Y.1,000,000,000 in the budget for 1937-38, with the prospect of similar deficits in the years to come. As long as the aged finance wizard

Korekiyo Takahashi remained at the helm of the Treasury, there was confidence in financial circles and the Government had no trouble in marketing its "red ink" bonds.

But Takahashi was cut down by mutineers' bullets on Feb. 26. He was succeeded by Dr. Baba, who was eager to embark on a policy of inflation and was granted his portfolio on the express understanding that he would satisfy the Army's demands for more liberal appropriations for "defense". As early as last September, the *Tokyo Asahi* predicted that Dr. Baba's policy was bound to result in rising commodity prices, increase in the amount of banknotes in circulation, labor unrest and loss of confidence in Dr. Baba's ability to weather the financial storm.

The *Asahi's* prophecies came true. Buoyed up by the news of a record budget, the index of commodity prices took a 5.6 per cent jump in December. In the first two weeks of this month, the advance in prices has even been sharper. In New York, the yen fell to its lowest level in years. The Yokohama Specie Bank's explanation that it was all "a misunderstanding" was disputed by Wall Street, which did not attempt to conceal its belief that Japan was headed for financial rocks. The last demonstration of the loss of confidence in the Treasury's policies came in the opening week of this month, when commercial banks virtually boycotted national bonds.

Alarmed, Dr. Baba took a desperate step in defense of the yen. Following in the footsteps of Dr. Schacht, he placed all imports under a license system. Dr. Baba's explanation that the measure was designed to check speculative imports of goods was subjected to ridicule by foreign and Japanese financial experts alike. The ordinance, they said, undeniably meant to control the exchange value of the yen, and not the imports of raw materials needed by Japan's export industries.

The *Japan Chronicle*, a British daily in Japan, which took the lead in assailing Dr. Baba's policies, pointed out that the new measure could keep the yen nailed at 1s. 2d. for a few months, but more draconic steps were needed to save the yen from eventual collapse. The newspapers also called attention to the sudden and dangerous increase in the circulation of the notes of the Bank of Japan in recent weeks. Last March, when Dr. Baba came to power, the banknotes in circulation amounted to Y.1,322,000,000. In October, this figure rose to Y.1,356,000,000. The following month, the total made a new jump to Y.1,443,353,000. Up to this month, the rise has been steady, but slow. In December, the figure suddenly soared to Y.1,960,000.000.

This spurt, the *Chronicle* suggested, was not justified by Japan's economic conditions and, on

## JAPAN AWAITS THE FINISH

**Watchful Waiting In China.**

*The Washington, D. C. Post*

the contrary, formed an alarming harbinger of the shape of things to come. Time comes, the daily declared, when printing press inflation defies control and leads the nation's economy to disaster.

Japan's financiers have been unfriendly to Dr. Baba ever since his advent to power. Compared with popular Takahashi, Dr. Baba was "flighty", ever-ready to launch into uncertain radical financial ventures. Aware of this sentiment, Dr. Baba, with the active support of the Army, attempted to impose his ideas upon the distrustful bankers. The unfortunate effects of this attitude have now been manifested in the Government's failure to find the required funds in the market.

More than that,—the financiers and industrialists, frightened by Dr. Baba's plans for controlled inflation and higher taxes, have now declared open war on the Finance Minister. In Osaka, leading businessmen announced the formation of a group which will not only study the Government's economic policies, but will also subsidize the political parties in their attacks on Premier Hirota's Cabinet. Other powerful lobbies have been formed in Tokyo to combat the Government's plans for new taxes on capital and for the virtual nationalization of the electric power industry.

Other attacks will come from the small but outspoken Social Masses Party, which will act as a spokesman for the millions of workers and white-collar employees whose scanty income has been seriously dented by the soaring index of prices. Unless prompt steps are taken to raise salaries in proportion to the growing cost of living, Japan will witness a resurgence of labor unrest and the radical movement.

The conflict will be especially sharp because of the Army's and the Government's efforts to root out the labor movement by methods already used with considerable success in Germany. The semi-Fascist Home Office has for the past five months been drafting a bill, which outlaws labor unions, forbids strikes and makes the Government the sole arbiter in any labor disputes.

While the *Tokyo Nichi-Nichi* declared that the measure is very similar to the Nazi law for State control of labor, officials of the Home Ministry, in the true Japanese fashion, declared that they aimed to embody in the bill "the spirit of Japan's family system, in the conviction that it offers a means of effecting capital-labor harmony unparalleled in other parts of the world." The bill will be submitted to the Diet for approval next month.

Meanwhile, however, the Army has already gone forward with this paternalistic policy. All workers employed in the Army arsenals in Osaka, Nagoya and Kikura have been ordered to sever their connections with all labor unions. The order, it was explained, was issued because of "the important nature of the arms industry in the emergency period and the need for firm solidarity among the workers in such an industry". Curiously, the order was issued only a month after the arsenal workers united in forming a society to combat Fascism.

"To offset the impression that the Army is not interested in the cause of the workingman", a Tokyo daily said, the War Office plans to establish a labor affairs committee under the chairmanship of the director of the mobilization and equipment bureau. Its members will be officers from the Army provision, clothing and arsenal depots. Its function would be to discuss employee annuities, co-operative funds, welfare activities and measures for the improvement of relations between workers and officials.

The Army's benevolence towards the laboring masses, professed time and again in military pamphlets, will not save it from bitter attacks at the current session of the Diet. The discussions will touch upon the Government's diplomatic policies, its efforts to introduce Fascism into Japan, its new taxation schemes, its labor policy. But no speaker will miss an opportunity to blame the ills now besetting Japan upon the Army.

The heaviest guns of the opposition will be trained upon Premier Hirota's foreign policies, forced upon the Government by the Army "brain-trusters". Japan's diplomacy has undergone a startling metamorphosis during 1936. The Government has definitely linked Japan with the European Fascist bloc, in direct opposition to Soviet Russia, and, in a lesser degree, to Great Britain. This move immediately resulted in strained relations with Moscow and played its role in stiffening Nanking's opposition to Japan's demands.

With the conclusion of the anti-Comintern agreement, negotiated between the Reichswehr and the Japanese Army, Nippon has embarked upon a course which must inevitably lead her to war with Russia, heavy expenditures for military needs, regimentation of the nation and possible internal crisis. The Coming War with Russia has now become Japan's raison d'etre and will cast its menacing shadow upon the nation's every economic, political or social move.

The first demonstration of this policy has been the sudden reversal of Japan's attitude towards Nanking. Nathaniel Peffer, writing in *Asia*, ascribed Nippon's unexpected mildness to the Army's fear of an exhausting war with China. This contention might be true, but equally convincing is the belief that Tokyo must have realized that the continuation of the former policy of constant pressure might have driven China into the tender embraces of other nations, mainly Soviet Russia.

The Sian coup, the real motives of which were not at first understood in Tokyo, was in-

terpreted as Moscow's attempt to block the advance of the Japanese wedge in Inner Mongolia, —a wedge vital to the success of the Japanese strategy in the coming war with Russia. As long as Communists remain a potent force in the Northwest, Japan will support the Nanking Government. But the moment Gen. Chiang succumbs to the pressure of the "Front Populaire" and joins hands with the Reds, Tokyo will revert to its former policy of aggression. The China policy looms important on Japan's political horizon, but it has now been completely subordinated to the Russian policy.

The *Japan Advertiser* (Tokyo), analyzing the Army's demands for internal reforms, explained that "the military leaders take the view that speedy renovation is necessary in order to ensure a more centralized direction of the nation's resources, material, moral and intellectual, so that national defense in its broadest aspects may thereby be ensured". Other students interpreted the Army's program as an undisguised plan to create a Fascist state, with its typical slogan of "less butter, more guns".

But Japan seems to be reluctant to embark on the path indicated by Army guides. Politicians, industrialists and social workers alike realize that the path leads to war, which can bring no glory to Japan, only disaster. This is one of the reasons why the press and parliamentarians, defying danger, are openly assailing the Army for meddling in political affairs and attempting to clamp a dictatorial regime upon the land of toy houses and cherry blossoms.

"... We believe it within reason", fearlessly declared the *Tokyo Miyako*, "that the military are striving to form a national entity, a unanimous co-operation of the nation, to break the present crisis. However, national co-operation in a real sense is not possible to obtain through dictatorial pressure, but must be based on a spiritual awakening of the people at large. For the military to force unanimity on the nation is fascist dictatorship. Constitutionalism is based on the free will, feeling and understanding of the people. Japan is a constitutional country 'with one Ruler above myriad people' and there is no room for dictatorship ..."

"It is undeniable that a part of the nation is undesirably affected by dangerous thoughts from abroad. This must be counteracted by education and other means. If the evil thoughts are removed, the original ideas of the Japanese will once again be displayed. The most dangerous tendency at present is the dictatorial attitude of a certain portion of the country, affected by Italian Fascism and German Naziism."

The bitter subterranean struggle between Fascism, backed by the Army, and the forces of peace, personified by the exporters of Osaka, is likely to break into the open at the current session of the Diet. Chinese will do well to watch the Diet proceedings with full attention, for the anti-Fascist parliamentarians of Japan are fighting not for themselves alone, but for the peace of the Orient and the world. If, as it appears now, the Army succeeds in subduing the parliamentary recalcitrance, Japan's jingoists will have removed the last obstacle to their plans for the conquest of Asia.

## Quarter Million Casualties So Far in Spanish Civil War

Neutral observers estimate that the first six months of the Spanish civil war have cost the Spanish Republic at least 250,000 casualties, in addition to half of the national wealth. It is believed that 1,200 Frenchmen and at least that many Russians, Germans and Italians have perished on Spanish battlefields to date.

At the end of twenty-six weeks of fighting, the insurgents now claim full or partial control of 32 provinces, in addition to Spanish Morocco, the Balearic Islands, the Canary Islands and Spanish Guinea. The loyalists claim full or partial control of eighteen provinces, in addition to the Island of Minorca, and a foothold on the Bay of Biscay and on the mountainous strip of coast nominally belonging to the northern Basques.

**War Imminent, Says Field Marshal Milne**

Belief that war is likely within five months was expressed in London Jan. 14 by Field Marshal Lord Milne, in a speech supporting the Cadets Corps movement. "Your country is in danger," the Field Marshal said, in intimating that war was imminent. "Some people say we have five years in which to prepare. I would feel that I were an optimist if I said we had only five months."

**Tokyo Perturbed by Reported U.S. Building Plan**

*Domei* stated that serious attention was being paid in Tokyo this week by naval circles to the reported intention of the American Government to construct 54 auxiliary vessels at an estimated cost of $175,000,000.

**Keel of "Floating Arsenal" Laid in Sasebo**

High Japanese naval officials Jan. 18 witnessed the laying of the keel of the 10,000-ton repair ship *Akashi* at the naval dockyards in Sasebo. Newspapers call the vessel the "floating naval arsenal."

**U.S. Navy to Ask Appropriation of $175,000,000**

Advices from Washington Jan. 14 stated that Congressional authorization for the construction of a large auxiliary fleet at a cost of approximately $175,000,000 is the first item on the Navy Department's legislative program. The program is expected to include at least six gunboats, 22 minesweepers, ten fleet tugs, eight tenders for aircraft, destroyers and submarines, six store, repair and hospital ships, one oil tanker, and one survey ship.

**Singapore British Forces Will Begin Maneuvers Shortly**

A telegram from Singapore Jan. 13 stated that the most important sea, land and air maneuvers yet undertaken by the British forces in the Far East would be held at an undisclosed but imminent date. The primary object of the maneuvers, it was officially stated, is to test the vulnerability of the lines of fortresses against attack. Twenty-six units from the China Station will participate in the operations, and an air squadron is expected from Iraq. Several thousand troops will be employed, including a Malay regiment and Punjab infantry.

**"Popular Front" Is Organized in England**

The long-heralded formation of a sort of Popular Front in England became a reality Jan. 17 when in the course of separate sessions held by the Socialist League, the Independent Labor Party (I.L.P.) and the Communist Party, the three groups decided to conclude an agreement on unity of action.

## Military Training for Monks Starts in Chinkiang

A total of 150 monks in Chinkiang, Kiangsu province, are to receive military training beginning immediately, according to the *China Evening News*.

# Government Threatens Drastic Action Against Rebels; Wang Declares No Compromise With Reds

**HIGH LIGHTS IN THE EVENTS OF THE WEEK:**

1. **Hopes of Peace Solution of Shensi Situation Dimming, Nanking to Launch Punitive Drive.**
2. **Legalization of Red Army and Autonomy of Northwest Demanded by Rebel Leaders.**
3. **Alliance Between Yang Hu-cheng and Communists Confirmed, 10,000 Reds in Sian.**
4. **Communists Capture Pingliang, 3,000 Reds Are Advancing Towards Kansu Capital.**
5. **Public Organizations Demand Expedition Against Yang and Punishment of Chang.**
6. **All Foreigners in Sian Have Been Evacuated, Only Three Britishers and Two Russians Remain.**
7. **Wang Given Rousing Welcome in Nanking, Declares No Compromise With Shensi Reds.**
8. **Japanese Object to Chen's Resignation as Foreign Affairs Head, Chia Unable to Assume Post.**
9. **Kawagoe to Visit Nanking Before Kuomintang Session, Suma Says Farewell to China.**
10. **Suiyuan Invaders Prepare for Renewed Drive, Prince Teh Recruiting More Soldiers.**

Hopes of a peaceful settlement of the Shensi situation were rudely shattered Jan. 18 when it became known that an offensive against General Yang Hu-cheng, the recalcitrant Shensi leader, would be launched on the expiry, (at midnight Jan. 18), of a truce now in force, according to a *Reuters* report. Operations against General Yang were to have started recently, but were postponed when he issued a circular telegram pledging loyalty to the Central Government and expressing readiness to carry out its orders. This led to a truce, and caused general optimism of a bloodless solution of the Shensi crisis. General Yang, however, threw an unexpected bombshell when he later presented a set of demands considered by the Central Government to be wholly unacceptable. As a result, the Government decided to terminate the truce and to attack General Yang Hu-cheng's forces. Chang Hsueh-liang's troops, it is understood, are not working in co-operation with General Yang, while the Central Government forces in Kansu have concluded an arrangement with General Yu Hsueh-chung, the chairman of the provincial government there, to take over command of the "Young Marshal's" men in that province. It is expected that as soon as the Central Government troops march into Shensi, Chang Hsueh-liang's forces will surrender. Arrangements are being made to transfer them to some other province. Hopei, Anhwei and Kwangtung have been suggested, but in all likelihood Anhwei will be selected. A clear indication that the Central Government will not agree to any compromise with the Reds was afforded in a statement Jan. 18 by Wang Ching-wei, chairman of the Central Political Council, who emphasised the impossibility of the Kuomintang accepting Communists in its fold.

*Domei* reported Jan. 19 that indications mounted in Nanking that military operations against Gen. Yang would be launched upon the expiration of the present truce, unless the offensive is countermanded by Gen. Chiang Kai-shek, who is now in Fenghwa.

Sporadic warfare has broken out along the Lunghai railway between the Central Army and the rebel troops under Yang Hu-cheng, according to information received in Nanking Jan. 20. An all-night encounter took place around Chihshui and Huahsien, starting Jan. 17 evening and, after a short respite Jan. 19, hostilities were resumed. The soldiers of both sides fought during a severe snowstorm.

Bearing the Government's reply to the demands of the Shensi rebels, three delegates of Gen. Yang Hu-cheng, and his associates, flew to Sian from Fenghua, in Chekiang province, Jan. 20 according to *Reuters*. They are Gen. Mi Chun-lin, an influential commander of Chang Hsueh-liang's former army, Gen. Pao Wen-yueh, who represents Chang's men, and Li Chih-kan, representative of Gen. Yang Hu-cheng. Leaving Fenghua, where they interviewed General Chiang Kai-shek, at 10:30 a.m., they arrived in Nanking an hour and a half later. At noon they were off again for Sian. Their flight is described as a "final peace mission."

Approximately 100,000 Central Government troops are concentrated in the Weinan and Hwahsien districts, not far from Sian, ready to go into action against the rebel regime in the Shensi capital, reported *Shanghai Nichi-Nichi* Jan. 14. Apart from these troops, there are an additional 40,000 Government soldiers stationed in Kansu province under the command of Gens. Hu Chung-nan and Mao Ping-wen. Gen. Feng Ching-tsai, a former supporter of the rebel general Yang Hu-chen, has declared his loyalty to the Central Government, but his troops are reported to be still under Gen. Yang's command.

According to a *Ta Kung Pao* report Jan. 16, the Northeastern Army under Chang Hsueh-liang around Sian include the 105th, 109th, 112nd, 129th and 120th Divisions of infnatry. Those under Yang Hu-cheng now stationed around the city of Sian include four divisions of calvalry units, 11 regiments of artillery units.

## LEGALIZATION OF RED ARMY AND AUTONOMY OF NORTHWEST DEMANDED BY SIAN REBELS

The legalization of the Chinese Red Army and creation of a virtual autonomous area in Kansu and Shensi under the complete control of the outlawed communist forces and the defiant Northeastern Army and the 17th Army under General Yang Hu-cheng have been demanded by the Sian warlords as their price for a peaceful settlement of the Shensi impasse that followed the coup staged by General Chang Hsueh-liang, the *Shanghai Evening Post* reported Jan. 18.

According to usually reliable sources quoted by the *Post*, the demands include:

(1) That the bandit suppression campaign be cancelled, the communist forces be legalized and given official recognition and garrison areas in Kansu and Shensi provinces in order that the fighting forces may be preserved for possible war with foreign aggressors, particulary Japan;

(2) That General Chang Hsueh-liang be appointed pacification commissioner of Kansu and Shensi Provinces with sole control over the military affairs in these two provinces.

(3) That the reorganized Red Army, Northeastern Army and the 17th Route Army shall be responsible only to their respective commanders who shall have rights and authority to appoint and dismiss officers.

(4) That the National Government shall supply the military equipment and military expenses regularly.

On Jan. 6, the Central Executive Committee of the Chinese Communist Party and the Chinese Soviet Government issued a circular telegram (a copy of which was received by the *Review* on Jan. 20), urging cessation of civil war, united resistance against Japan, and suppression of the pro-Japanese Chinese politicians. The telegram was addressed to the Kuomintang, Nanking Government and General Chiang Kai-shek.

The message begins by saying that taking advantage of the Sian Affair, both Japanese imperialists and the pro-Japanese Chinese politicians are now stirring up another civil war under the pretext of upholding the prestige Gen. Chiang Kai-shek. It then claims that Gen. Chiang has accepted the anti-Japanese policy of Generals Yang Hu-cheng and Chang Hsueh-liang and agreed to settle the Sian affair peacefully. In order to realize internal peace and unity, continues the message, the Chinese Red Army is prepared to take orders to resist Japanese aggressions and willing to proceed to the front to participate in active operations. But unfortunately, as soon as General Chiang returned to Nanking, the pro-Japanese elements have not only detained General Chang Hsueh-liang, but countermanded the orders of General Chiang for the withdrawal of the Central Troops from Shensi, which instead are now instructed to advance toward Sian. In view of the renewed crisis, the Chinese Communist Party and the Chinese Soviet Government, appealing in the general welfare of the country for cessation of civil war and united resistance against Japan, have to resolutely demand of the Nanking authorities to suspend military activities at once and to suppress the pro-Japanese elements. In the meantime, a National Salvation Conference should be summoned, which should be attended by representatives from all parties, factions, and the various military and public organizations thereby to hasten the realization of internal peace and unity. Finally, the message urges that General Chiang Kai-shek should come out openly to prevent a renewal of civil war, saying that he is alone in a position to do so, because the Central Armies are willing to take his orders and he has guaranteed that there will be no repetition of civil war. The telegram pays a high tribute to General Chiang's personality and concludes by an appeal to turn a threatening civil war into an anti-Japanese war through the elimination and suppression of the pro-Japanese elements in Nanking.

According to *Shanghai Nichi-Nichi* Jan. 14, the Soviet Government of China and the Central Executive Committee of the Chinese Communist Party have despatched a joint telegram to Nanking in which they propose the summoning of a peace conference at which all parties and political groupings in the country shall be represented.

The telegram urges that the following proposals be placed before the conference :

1.—Thet a nation-wide united front be established for war against Japan.

2.—That Gen. Chiang Kai-shek be given the leadership of the united front provided he ceases all civil war, unifies the country and really fights Japan.

## ALLIANCE BETWEEN YANG AND COMMUNISTS CONFIRMED, 10,000 REDS ARRIVE IN SIAN

Intelligence reports reaching Loyang confirm the alliance between Yang Hu-cheng and Communist bandits, as well as their preparedness to defy the Central Government. Peng Teh-huai, one of the influential Red leaders, has been made Field Commander in Sian with his troops stationed in the vicinity of Sanyuan, which is about 30 miles to the north of Sian. In view of the large number of Communists which have reached Sian, Yang Hu-cheng has ordered the appropriation of $250,000 for their maintenance. In addition Yang has sent three truckloads of ammunition to Sanyuan to replenish the war supplies of the Reds stationed there. The Reds bandits are gradually moving eastward, one division of which having arrived at Shanghsien in southeastern Shensi about 40 miles from the Honan border. Simultaneously 4,000 Reds are moving from Chingyang in northern Shensi toward the Shensi-Shansi border.

A *Central News* dispatch statesthat more than 10,000 Reds have arrived a Sian. Another group of 20,000 Reds is reported to have reached Tienshiu, Kushin and Hsioyichen, north of the Wei River. One Red army, numbering 2,000 men, is concentrated at Sanyuan while two disivions have arrived at Shanghsien, south of the Wei River. Another Communist horde has appeared at Lantien, 60 kilometers southeast of Sian.

Approximately 5,000 Communist troops entered Sian on Jan. 15, while another 2,000 have arrived at Lingtung. The headquarters of Mao Tse-tung, Red Army leader, have been established in the same premises that were occupied by Chang Hsueh-liang's bandit-suppression headquarters, *Shanghai Mainichi* reported Jan. 18.

All the public organizations in Sian, including newspaper offices and political as well as military headquarters, are being controlled by the Communists, reported *Sin Wen Pao*, Jan. 18.

The report that Mao Tse-tung, the Communist chieftain, arrived in Sian on Jan. 12, has been confirmed. Accompanied by Yang Hu-cheng, the rebellious Pacification Commissioner of Shensi, Mao was said to have been to Weinan, where he addressed the rebel troops.

To augment his military strength General Yang has reorganized his 49th Brigade, 51st Brigade and three brigades of the Shensi police force into three divisions. Styling himself as "Commander-in-Chief of the Allied Forces" General Yang appointed Lieut.-Gen. Sung Wei-ju, newly appointed Chairman of the Shensi Provincial Government, General Wang I-cheh, an influential commander of the Northeastern Army, General Yu Hsueh-chung, Chairman of the Kansu Provincial Government, Mao Tse-tung and Peng Teh-huai, notorious communist chieftains, as commanders of the "First, Second, Third, Fourth, and Fifth Army Corps". General Yu Hsueh-chung is reported to have rejected the appointment.

Chou En-lai, notorious Red chieftain under Mao Tse-tung, has arrived at Sian and is attempting to "sovietize" the officers and soldiers under Chang Hsueh-liang and Yang Hu-cheng. The attitude of Generals Wang I-cheh, Miao Chen-liu, Ho Chu-kuo and Tung Ying-ping, has not been clarified. Gen. Ma Chan-shan, former Chairman of the Heilungkiang provincial government who won national fame for his defense of the Nonni River Bridge during the Japanese invasion of Manchuria, has declined the post as "commander-in-chief of the calvary army corps" given him by Yang Hu-cheng.

## REDS CAPTURE PINGLIANG, 3,000 ADVANCING TOWARDS KANSU CAPITAL

A large horde of communist-bandits has swooped down from Kansu and occupied Pingliang, important city in eastern Kansu about 250 kilometers northwest of Sian, reported *Central News* Jan. 13. Meanwhile 3,000 communists are now advancing towards Lanchow, the Kansu capital, from Yungchang and Shantan, which are about 250 and 375 kilometers northwest of Lanchow, respectievly.

It is reported that the city of Lanchow, capital of Kansu, has been occupied by Chinese Reds under Mao Tse-tung, reported *Paotow Jih Pao* Jan. 15. The Kuomintang headquarters at Lanchow has been dissolved, reported *Ta Mei Wan Pao* Jan. 13.

## REDS PENETRATE INTO SHANSI AND SUIYUAN, YEN'S BROTHER SAID A COMMUNIST

With a view to preventing a Communist invasion of the province, the Shansi Provincial Government has organized 20 special regiments of troops and distributed them along the banks of the Yellow River, reported *Shanghai Nippo* Jan. 17.

*Shanghai Nichi-Nichi* reported Jan. 16 that Yen Hsi-chih, younger brother of Gen. Yen Hsi-shan, Pacification Commissioner of Shansi, is understood to be an adherent of Communism. It is reported that through him many Communists are working in the Shansi Provincial Government, thus making it doubtful whether the Shansi troops can be depended upon for Communist-suppression work.

Communists under Liu Tzu-tan penetrated southern Suiyuan from northern Shensi, having successfully crossed the Great Wall, *Domei* reported Jan. 13.

Three districts in Wenchow in southeastern part of Chekiang have been sovietized by the Communist under Lin Yin, according to information received at Nanking Jan. 15.

A total of 15 students and a school master were arrested by the soldiers in Pakhoi, Kwangtung, Jan. 13, as a result of a raid in the Hopu Middle School. A large quantity of the People's Front documents were also seized during the raid, reported *Shun Pao* Jan. 14.

## NANKING'S ATTITUDE SAID DIVIDED ON FUTURE OF CHANG HSUEH-LIANG

While T. V. Soong and other Government leaders are believed to favor the return of Gen. Chang Hsueh-liang to Sian, with a view to establishing satisfactory relations between Nanking and the Tungpei army and bringing about the isolation of Gen. Yang Hu-chen, another group in the Government, headed by Gen. Ho Ying-ching, Minister of War, is firmly opposed to any such step and demands the detention of Gen. Chang Hsueh-liang in Nanking at any cost, said a *Shanghai Mainichi* report Jan. 14. In an effort to find a solution to the problem, Mr .Soong and Gen. Chang Hsueh-liang flew to Fenghua to consult Gen. Chiang Kai-shek.

*Shanghia Nippo* claimed to have discovered Jan. 15 that Gen. Chu-kuo, leader of the younger officers in the Tungpei army, accompanied Gen. Chang Hsueh-liang to Fenghua, where the "Young Marshal" is now conferring with Generalissimo Chiang Kai-shek regarding the situation in Sian. Gen. Ho's visit to Fenghua indicates the possibility of a peaceful settlement of the Sian situation. Gen. Ho is conveying the demands of the Sian rebels to the Generalissimo. The Japanese authorities are watching the situation closely, being particularly interested in the conditions upon which a final compromise agreement may be based.

## PUBLIC ORGANIZATIONS DEMAND EXPEDITION AGAINST YANG AND PUNISHMENT OF CHANG

A punitive expedition Against Yang Hu-cheng and due punishment for Chang Hsueh-liang in accordance with law were demanded by over 160 Shanghai public organizations in three separate petitions sent to the Central authorities Jan. 16. The first petition was signed by the First and Second Special Districts Citizens' Association, the second by over 100 trade unions and the third by over 60 provincial natives' guilds. Both Generals Yang and Chang are strongly condemned for their conduct.

Students in Shanghai addressed Jan. 18 a telegram to the Central Kuomintang Headquarters, the National Government and the Military Affairs Commission, urging that steps be taken to end once for all the anomanous situation now prevalent in Shensi. The wire was dispatched in the name of the Students' National Salvation Federation.

Chang Hsueh-liang is blamed for having instigated the renewed trouble in Shensi and the Government was urged to give the extreme penalty in a joint petition by the International Institute, Shanghai Social Educational Bureau and the Shanghai Cultural Society on Jan. 17. The petition further demanded an immediate punitive expedition against the rebels in Sian.

In circular telegram jointly issued by the Nanking Tangpu, and other groups of farmers, laborers, merchants and students and women, the "Young Marshal" was again target of open denounciation of a most bitter vein. The telegram urged people of the whole country to stand solidly behind the Central Government in its punitive drive against the recalcitrants in Shensi.

## ALL FOREIGNERS IN SIAN HAVE BEEN EVACUATED, ONLY FIVE "DIEHARDS" REMAIN

Seventy-five foreign residents of Sian have been safely evacuated by motor-bus, according to a *Reuters* report Jan. 19. The foreigners arrived at Tungkwan, on the Honan-Shensi border, Jan. 18. Only five foreigners now remain in Sian and it was expected that they will also soon be evacuated. They consist of three British and two Russians. The Government's militray operations against the rebels are expected to begin after all the foreigners have been safely removed. When the Eurasia 16-seater passenger plane arrived in Sian at 4.30 p.m. Jan. 18 to begin the evacuation of foreigners it was found that the 75 had already left. Arrangements for their departure by motor-bus had been made by Willys R. Peck, of the Ammerican Embassy, during his recent air dash to Sian, but it was not known whether these would be duly carried out. On learning of the departure of the foreigners the Eurasia inachine returned to Loyang in the evening Jan. 18. It again flew to Sian morning Jan. 19, carrying Lt. Colonel Lovat-Fraser, British military attache, and Capt. David Barrett, American assistant military attache, to supervise the evacuation of the remaining foreigners.

The party of foreigners, which was evacuated from Sian to Tungkwan by trucks and arrived at Loyang from Tungkwan at Jan. 19 totals 77, *Central News* reported. Of the number 30 are British nationals, 15 Americans, 13 Italians, 7 Russians, 4 Swedes, 4 Norwegians, 3 Danes, and one German. The party comprises 32 men, 34 women and 11 children.

The list follows :

| *Nationals* | *Men* | *Women* | *Children* |
|---|---|---|---|
| British | 6 | 18 | 6 |
| American | 5 | 5 | 5 |
| Italian | 13 | — | — |
| Russian | 3 | 4 | — |
| Swedish | 1 | 2 | — |
| Norwegian | 2 | 2 | — |
| Danish | 1 | 2 | — |
| German | 1 | — | — |

Thirteen of them, all Catholics, are remaining in Loyang, 14 are proceeding to Tsinan, Shantung, and the rest are going to Shanghai. According to one of the foreigners, there are still 4 Britons and 2 Russians in Sian, 3 Americans in Pinliang, Kansu, and a few in Lanchow and Hanchung,

Three American missionaries in Pingliang, east Kansu, who arrived in Sian Jan. 20, were evacuated in the afternoon by plane from the Shensi capital to Loyang. They are Mr. and Mrs. E. R. Peterson and Miss A. Nelson of the China Inland Mission. There are 18 foreign missionaries in Lanchow, capital of Kansu, and six in Hanchung in south Shensi. Plans are being made to evacuate them by plane to places of safety. J. Hall Paxton, second secretary to the American Embassy who was supervising the evacuation of American nationals in Shensi is expected to return to Nanking Jan. 20. It is stated that the plane will also carry the three American missionaries from Pingliang, Kansu. It is learned that the four Britons and two Russians are remaining in Sian.

"All the foreigners in Sianfu are safe and well," declared Willys R. Peck, Counsellor of the American Embassy, in an interview with *Reuter* on his return to Nanking Jan. 16 by air from Sian. "I saw all the foreigners in Sian," declared Mr. Peck in reply to a question by *Reuter*. "Sian," he proceeded, "was quiet and peaceful, showing no signs that any trouble was going on. I did not yet an opportunity to see General Yang Hu-chen, who gave a dinner for me last night (Jan. 15) but did not attend it himself. The authorities at Sian were extremely courteous, agreeing to save all available space in the aeroplane for foreigners desiring to evacuate, but unfortunately the machine could carry only 11 passengers."

According to foreign reports from the Shensi capital Jan. 16, no Red flags and no Red soldiers were to be seen in Sianfu. Recently representatives of the Chinese Red Army approached foreigners in Sian, assuring them that there had been no change in the Communist's policy of not molesting foreigners, with the exception of Japanese. This assurance was apparently borne out some time ago when the Communists passed through and all foreigners in Shensi were left undisturbed.

According to a special dispatch from Sian dated Jan. 15 published in the *North China Daily News*, strong Red forces have united with Shensi troops. It is stated on the authority of the Provisional Chairman of the province that the Red leaders are willing to sacrifice their Communist principles and join up with the Central Government in putting up a strong resistance to Japanese aggression. If the Government can come to terms on this question then that will put an end to the revolt. The general concensus in Shensi is that some such compromise should be reached. With regard to the attitude of the Red leaders toward foreigners, for the time being it is distinctly friendly. They have changed their policy and apparently cherish no emnity toward foreign missionaries, nor towards religious bodies of any sect.

## WANG GIVEN ROUSING WELCOME IN NANKING; DECLARES NO COMPROMISE WITH COMMUNISTS

Nanking extended a royal welcome to Wang Ching-wei, Chairman of the Central Political Council and former President of the Executive Yuan upon his arrival at the Capital from Shanghai Jan. 18. Headed by Lin Sen, Chairman of the National Government, more than 1,000 Party and government officials lined up at the airdrome to greet the arrival of the distinquished statesman who returned to the capital after an absence of more than a year. Mr. Wang attended the Weekly Memorial Service at the Central Party Headquarters shortly after his arrival. Despite the internal turmoil and external aggression China has made an increasing progress under Gen. Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, declared Mr. Wang in his address at the Weekly Memorial Service. He deplored the outbreak of the Sian rebellion on Dec. 12, but added that due to the combined efforts of the Party, Government and the public, the crisis was finally averted. He urged his listeners to double their efforts to bring about an early consummation of the Nationalist Revolution. Refering to China's foreign relations Mr. Wang said that China's determination to rely on herself for her existence should not be interpreted as an isolationist policy. China, he said, is willing to join hands with many nations on the basis of co-existence and co-prosperity. She is naturaly ready to co-operate on the basis of reciprocity with any country which has no aggressive designs. Even for nations which are aggressive, China is sincerely willing to exercise the greatest patience with the hope that the aggressor will come to its sense so that both countries may embark on the road of co-existence and co-prosperity. "The Chinese people are ready to sacrifice their lives" Mr. Wang declared, "for when China is under the encroachment of the aggressor, there is no way to talk about friendship. We will let our blood flow till the aggressor discontinues its aggressive plans." The Government has been endeavoring to overcome the crisis during the past few years. Its determination to fight against the odds has never faltered despite political changes and outside temptations. He took the slogan of "joint defence against Communism" as an example. In his opinion the eradication of the Communists in China is a domestic issue. The Government ,he believed, is capable of suppressing Communism. Had it not been for the extenral aggression, the Red menace would have been wiped out from China. Despite outside interference, he said, the communist-suppression campaign has been steadily pushed. This can be proved by the fact that the Reds have been driven from Kiangsi to Hunan, Kweichow, Yunnan and Szechwan. Mr. Wang took exception with the popular slogan "formation of people's front to resist foreign aggression". In the first place, he said, definition of "united front" should be made clear. He mentioned the fact that the "people's front" is now in existence in France, but the main condition of that front is that no party is armed. There is one government and there is only national army. He also criticized another slogan : "resistance of foreign aggression should come first and stabilization of internal order should come second", stating that the two things are, in essence, one. Mr. Wang believes that internal order should first be restored. Since armed resistance against foreign encroachment will necessarily mean gambling the existence of the nation. China must first have strength to repulse the aggressors before she can resort to such a course, the Central Political Council Chairman said. He said that past experience has taught us that whenever the government troops are mobilized to the nation's frontiers to repulse foreign invaders, the Reds immediately attacked the rear which proves that the Communists must first be suppressed. Mr. Wang doubted the sincerity of the Reds to ally themselves with the Central Government in resisting foreign aggression. When the communists jointed the Kuomintang in 1924, they declared that their sole purpose was to assist the Kuomintang in its revolution, not to spread communist propaganda. But subsequent developments told us that they fell back on their pledges. How can we believe that their present attitude is sincere and that they will cling to their word, Mr. Wang asked. While realizing the necessity of enlisting the support of the whole nation in the task of national salvation, Mr. Wang advised the public to be cautious and stand on firm ground. We must not let any slip wreck our national salvation work and find ourselves some day in the same turmoil as Spain is now in. In his opinions, the Party should first lead the nation towards the road of the Three People's Principles. Only then, he said, can we consolidate the strength of the nation and lay a firm foundation for the state. Secondly, Mr. Wang added, we must reinforce the strength of the nation. Until we can extricate our country from foreign aggression and until we are able to stand on our own ground, we cannot hope to befriend any country in the family of nations.

**Wang Ching-wei**

## WANG SAID SUPPORTED BY "CHENG HSUEH HUI" GROUP AND WHAMPOA OFFICERS

According to *Shanghai Mainichi* Jan. 18, Wang Ching-wei's chances of returning to the presidency of the Executive Yuan—a post which Gen. Chiang Kai-shek is expected to relinquish soon—have considerably improved. It is understood that the Whampoa military leaders, headed by War Minister Ho Ying-ching together with the so-called politico-scholastic group (Cheng-Hsueh Hui) led by Foreign Minister Chang Chun and Gen. Hsiung Shih-hui, chairman of Kiangsi, have formed a bloc with Mr. Wang. Well-informad observers declare that the Whampoa military men are keenly dissatisfied with the Sian situation and are uncompromisingly opposed to Gens. Chang Hsueh-liang and Yu Hsueh-chung. They will not support T. V. Soong for the Executive Yuan presidency, since the latter has displayed a compromising attitude toward the rebel leaders. They will, however, support Mr. Wang, provided he agrees to an anti-Japanese policy. The politico-scholastic group in the Nanking Government is the real object of the Sian rebels' attack. But this group is in conflict with the pro-Europe-America group in the Government. For these reasons, the group has extended a hand to Wang Ching-wei—a fact which is confirmed

by the lengthy interviews which have taken place between Mr. Wang and the two leaders of the group, namely, Gens. Chang Chun and Hsiung Shih-hui.

*The Shanghai Mainichi* in an editorial Jan. 15 commenting on Mr. Wang's return to China and his political future says:

"Mr. Wang is no longer a fighter nor a popular politician, but only a decorative figure similar to Lin Sen, chairman of the National Government. Behind Mr. Wang stand no military forces, he has neither the will to oppose Gen. Chiang Kai-shek or to fight Japan. As for his former views, we see not even a shadow of them today."

Commenting in an editorial Jan. 19 on the visit to Nanking of Wang Ching-wei, the *Shanghai Mainichi* asserts that the failure of Gen. Chiang Kai-shek to invite Mr. Wang first to visit him at Fenghua, is evidence of the fact that the Generalissimo regards Mr. Wang as a broken political head and because Mr. Wang doses not hold in his hands the key to a settlement of the Sian trouble, for he possesses neither military nor financial power.

"Wang Ching-wei did not give expression to his own personal opinions, but acted as a mouthpiece of the Central Government," the *Shanghai Nippo* declared in an editorial Jan. 19 on the subject of the speech delivered by him in Nanking. "Ever since the Sian coup" the paper continues, "the question of an alliance with the Communists has been openly posed. Mr. Wang's speech gave the first definite 'No' to this question."

## JAPANESE OBJECT TO CHEN'S RESIGNATION, GEN. CHIA UNABLE TO ASSUMEE NEW POST

Representations over the replacement of Chen Chung-fu by Gen. Chia Te-yao at the head of the Hopei-Chahar Political Council's Foreign Affairs Commission without Japanese approval were filed Jan. 14 with the Council by the Japanese authorities at Peiping, according to *Domei*. The memorandum pointed out that under the terms of the Ho-Umezu agreement of 1935, the Chinese authorities agreed to obtain the understanding of the Japanese for the appointment and dismissal of high officials in Notrh China. Mr. Chen submitted his resignation on Jan. 11, reportedly holding himself responsible for his failure to bring about the dissolution of the East Hopei Autonomous anti-Communist Government. Chia Teh-yao was appointed to succeed him on Jan. 12. Mr. Chen's resignation is believed to be connected with the recent visit to North China of Wu Ting-chang, Minister of Industry in the Nanking Government, and is regarded as a first step by the Hopei-Chahar authorities in the kicking out of all persons of the pro-Japanese persuasion. Mr. Chen is the first victim to be sacrificed, said *Shanghai Mainichi* Jan. 14.

Chia Teh-yao, appointed on Jan. 12 Chairman of the Hopei-Chahar Political Council's Foreign Affairs Commission, announced Jan. 15 that he was "too sick" to accept the proffered post. Meanwhile, Mr. Chen has already left Peiping for Tientsin. All his former subordinates have resigned en bloc.

## GEN. SUNG CHEH-YUAN ARRIVES AT TIENTSIN

Gen. Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council, accompanied by his secretaries, arrived at Tientsin by train Jan. 19. Interviewed prior to his departure, Gen. Sung stated that the purpose of his present visit to Tientsin was "to see his aged mother" and that he would take advantage of the opportunity to have a brief rest in the port city. During his absence, the affairs of the Council will be placed in the charge of Gen. Chin Teh-chun, Mayor of Gen. Peiping, Chia Teh-yao and Gen. Chi Hsieh-yuan, members of the Council.

Gen. Chang Tze-chung, Mayor of Tientsin, has been appointed acting chairman of the Board of directors of the Hui Tung Aviation Corporation, a Sino-Japanese firm, to succeed Gen. Chang Yun-yung, who has been granted a three-month sick leave by the Hopei-Chahar Political Council. Mayor Chang assumed his new duties on Jan. 18.

Garrison areas of Hopei province have been redivided by orders of the Hopei-Chahar Pacification Headquarters. According to the new arrangements, the 53rd Army under the commander of Gen. Wan Fu-lin, a former subordinate of Chang Hsueh-liang, will garrison the districts along the Peiping-Hankow Railway, while the 29th Army under the command of Gen. Sung Cheh-yuan, will garrison the areas to the east of the Peiping-Hankow Railway.

Reversing his original plan to set up his headquarters in Kalgan, Gen. Shih Yu-san, the new Commander of the North Hopei Peace Preservation Corps, will have his office in Peiping, *Domei* reported Jan. 15.

Two hundred and sixty-seven prisoners in the Third Hopei Prison, Tientsin, were had served a three-year sentence, paroled. Jan. 19. The step is taken by the Hopei prison authorities upon instructions from the Ministry of Justice ordering the enforcement of the parole system so that prisoners who have good conduct record many start a new life.

## 14 DISTRICTS OF EAST HOPEI TO BE RETURNED TO PEIPING COUNCIL

Fourteen out of the total of 22 districts of East Hopei will be restored to the Chinese authorities, according to a report in *Lib Pao*. It is said that as a result of repeated negotiations between Chen Chung-fu, acting on behalf of Gen. Sung Cheh-yuan, and Lieut.-Gen. Tashiro, commander of Japanese Garrison in North China, the Japanese military authorities have promised to return these areas for the time being. About 100 members of the Peace Preservation Corps of the bogus East Hopei regime mutinied at Tungchow, seat of the begus regime, Jan. 12, reported *Ta Kung Pao* Jan. 13.

## ANTI-JAPONISM RENEWED IN KWANG-TUNG AND KWANGSI

Since the outbreak of the Suiyuan war and the Sian mutiny, the anti-Japanese movement in Kwangtung and Kwangsi Provinces has become greatly intensified, reported *Shanghai Mainichi* Jan. 15. At present, the Japanese are not allowed to make a tour of Kwangsi. The employees of a certain Japanese business store in Wuchow were once requested to evacuate that place. The Kwangtung people have also expressed extreme reluctance towards the Japanese people. The Kuomintang Headquarters has recently done its utmost in propagating among the local masses the urgent necessity of a complete eradication of all national traitors and bandits. Those Chinese, who have connections with the Japanese residents, are closely guarded or detained. All the local Japanese residents are also vigilantly watched by the local authorities.

## KAWAGOE TO VISIT NANKING BEFORE KUOMINTANG SESSION

Ambassador Shigeru Kawagoe will revisit Nnaking before the Third Plenary Session of the C.E.C. and the C.S.C. of the Kuomintang next month to learn of the steps taken by the Central Government to deal with the Sian incident, *Domei* reported Jan. 19. Mr. Kawagoe, *Domei* was informed, has not received any instructions from Tokyo regarding the resumption of negotiations with the Chinese authorities. Such a step, *Domei* understands, is regarded as premature as long as the Sian question remains unsettled.

Ending his ten years of diplomatic service in China, Y. Suma, outgoing First Secretary of the Japanese Embassy in China and concurrently Consul General in Nanking, said farewell to the Chinese Capital on January 22 when he left for Shanghai for Japan. Although Mr. Suma's transfer has not been officially announced, it is understood that he is stated to be Counsellor to the Japanese Embassy in Washington.

"Self-restraint" in dealing with Sino-Japanese problems was described Jan. 14 by Mr. Toyotaro Yuki, the new President of the Tokyo Chamber of Commerce and Industry, as an important factor in bringing about economic rapprochement between the two nations.

## SUIYUAN INVADERS RPEPARE FOR RENEWED DRIVE, PRINCE TEH ENLIST NEW RECRUITS

Feverish preparations are being made by the Japanese for a new invasion of Suiyuan, reported *Kuo Min* Jan. 15. Enemy airplanes are scouting over Pingtichuan daily. The "Manchukuo" irregulars under Li Shou-hsin are being transferred to Nanhaochan, western Chahar near the Suiyuan border. One "Manchukuo" division has arrived at Paochang, northern Chahar, from Dolonor, eastern Chahar. There are more than 40 tanks and armored cars in the Shangtu-Paochang sector. The 102nd "Manchukuo" regiment has arrived at Hwateh (Kiapossu), western Chahar, where a large aerodrome has been erected. 12 airplanes, originally stationed at Shangtu, has now been transferred to the Hwateh aerodrome. 40 motor trucks are employed in the transportation of ammunition between Changpei and Hwateh.

Military reports from Kalgan reveal that three divisions of "Manchukuo" troops, numbering 20,000 men, have been mobilized from Shenyang fro the East Suiyuan front. Approximately 45,000 "Irregulars" are now concentrated along the Chahar-Jehol border. These troop movements in northern Chahar indicate that the "Irregulars" are parepring again to invade Suiyuan as soon as weather becomes more favorable.

An order has been issued by Prince Teh requiring each banner under his rule to turn in 5,000 adult recruits by the end of the Lunar New Year, February 10. Arms and military uniforms for the new recruits have been sent by "Certain quarters" to Chapser, where Prince Teh is now staying. With the completion of the reorganization of the "Irregulars," reinforcements are now pouring into Shangtu ,preparatory to attacking Hungkehertu. The troop of "certain quarters" are advancing from Chihfeng towards Dolonor while large forces of the Jehol "Irregulars" are heading for north Chahar.

Chapser has been renamed Teh-hua city, with Prince Teh as Mayor, according to a *Sin Pao Wan* report Jan. 18. Military transportation is going on everywhere in North Chahar. To meet the large demand for vehicles, Prince Teh has ordered from a certain quarter 20 trucks, in addition to 20,000 uniforms and 1,700 pairs of boots. It is reported that the irregulars at Nanhouchen have increased by 2,000 lately.

Wang Ying, a notorious leader of "Irregulars," had been missing in Chapser since Dec. 21 last, according to information from Shangtu, last base of operations of the "Manchukuo" troops. Although the exact fate of the bandit leader has not yet been established, the message states that he has been secretly executed by "certain quarters."

Li Shou-hsin, "Manchukuo" bandit leader chief, has been removed to Chengteh, the capital of Jehol, from Dolonor and is now under the strict surveillance of "certain quarters," *Central News* reported Jan. 15.

# China's Determination to Abolish Opium and Narcotics

BY C. Y. W. MENG 孟昭洙

ON the Eve of the New Year, before a large crowd at the famous Confucius temple in Nanking, huge quantities of opium and paraphernalia of opium addicts were burned. Government and Party representatives made speeches, calling attention to the new ruling effective on New Year Day providing the death penalty for users and traffickers in narcotics.

Long before this meeting, placards were distributed and posted on the doors of every house and shop, and slogans written on white streamers were displayed everywhere announcing:

1. Beginning Jan. 1, 1937, hopeless narcotic addicts will be executed.
2. Beginning Jan. 1, 1937, first-time opium-smokers will be heavily punished; after being arrested three times, they will be shot.
3. Narcotic addicts who desire to escape these penalties should surrunder themselves to the city clinics for treatment on or before Dec. 31, 1936. The treatment is not painful and they will be exempted from punishment.

Beginning Dec. 11 an intensive propaganda campaign against narcotics was conducted. Groups of propagandists were busy throughout the whole weeks in the country districts and within the cities, exhorting addicts to make an eleventh hour decision to get rid of the smoking habit. The gruesomeness of the opium scourge and the ugliness of the death penalty were vividly depicted by groups of propagandists sent to the country districts. Paraders, depicting opium addicts being dragged to the gallows with the wailing families trailing behind, were also witnessed in the cities.

### The Changed Procedure in the Opium Administration

Por years in the past, China adopted a vigorous policy of "absolute" suppression of the opium evil, the enforcement of which was in the hands of the National Opium Suppression Commission. Unfortunately, because of various calamities in the country and because of the diversity of methods to combat the opium scourge, there was very little result in suppression even after years of effort. Meanwhile the evil of narcotics spread widely, and the situation became more serious then ever. The former Headquarters for Bandit Suppression in Honan, Hupeh and Anhwei took the position that the suppression of opium was essentially a fight against a deep-rooted institution which could not be easily accomplished within a short time, and that it should be regarded with equal, or even more, importance than the suppression of banditry. After a year of effort, success was so well recognized that the National Opium Suppression Commission became convinced that the measures taken by the Headquarters for Bandit Suppression were the best and most effective to cope with the situation. So when the Headquarters of the President of the Military Council was established in Nanchang, the National Opium Suppression Commission petitioned the Executive Yuan to transfer to the President of the Military Council the duties of opium suppression in the ten provinces of Honan, Hupeh, Anhwei, Kiangsi, Kiangsu, Chekiang, Hunan, Fukien, Shensi and Kansu. In May, 1935, realizing that the time for unifying the work of opium suppression had come, the Central Government abolished the National Opium Suppression Commission and in its place appointed the President of the Military Council to act concurrently as the Director-General for Opium Suppression to take full charge of opium suppression throughout the entire country. Thereupon, in the name of the President of the Military Council, concurrently Director-General for Opium Suppression, the work was continued at his Headquarters. With the authority so centralized, the problem can be attacked more effectively. The reorganization, therefore, marked a new era in the history of opium suppression in China, under which the chances of succest are made much more hopeful!

In other words, during the year 1935, the administration of opium suppression in the country passed successively from the National Opium Suppression Commission to the Headquarters of the President of the Military Council, and from the latter to the Central Commission for Opium under the Military Council. Under the new administration, the regulation, control, purchase and sale of narcotic drugs for legitimate purposes in the country were placed in charge of Division of Narcotics, newly created by the National Health Administration of the Ministry of Interior. During the year, the Division of Narcotics put into effect of the following important measures: (1) It restricted the issuance of certificates for the importation of narcotic drugs; (2) it prepared an estimate of kinds and quantities of narcotic drugs for the nation's medical and scientific use for 1936; and (3) it drafted measures for the control of sales of narcotic drugs.

### "The Six-Year Program"

In 1935, in accordance with the decision of the Congress of the Representatives of the Kuomintang, a "6-Year Program" was planned and put into effect. That is, to suppress narcotic drugs in two years, ending by 1936; and to suppress opium smoking in six years, ending by 1940. Article 8 of the Regulations for the Enforcement of the Prohibition of Narcotic Drugs, provides that "the violators of Articles 3 to 7, inclusively, of the Regulations will be put to death beginning from 26th Year (1937) of the Republic." During these years, many other anti-opium and anti-drug laws and regulations were drafted, revised and promulgated. To sum up, we may mention some of the important ones.

In order to check up any recultivation of poppy in areas where poppy cultivation existed before but has now been absolutely prohibited, the "Measures for General Detection and Suppression of Poppy Cultivation" were issued. In order to exercise a thorough control over, and to obtain accurate statistics of opium addicts, so as to form the basis for suppression, the "Measures for Registration of Opium Smokers Within a Definite Time Limit" were issued. In order to insure adequate and detailed enforcement of the provisions of the law in their proper application and order, and to widen the scope of opium and narcotic suppression, the "Regulations for the Enforcement of Opium Prohibition," and the "Regulations for the Enforcement of the Prohibition of Narcotic Drugs" were issued. In order to unify all the penal provisions relating to opium and narcotic suppression and to replace the defunct Opium Suppression Act, the "Provisional Regulations on Penal Offences Relating to Opium Suppression" and the "Provisional Regulations on Penal Offences Relating to Narcotic Drugs Prohibition" were issued. In order to fix the responsibility of the Central, the provincial, the municipal and district governments, respectively, for the establishment and maintenance of organizations charged with the duties of opium and narcotic suppression, the "Regulations Providing for the Organization of the Central Commission for Opium Suppression under the Headquarters of the President of the Military Council," and the "Regulations Providing for the Organization of Opium Suppression Commissions in Provinces and Municipalities, and Opium Suppression Sub-Commissions of Districts" were issued. Lastly, in order to unify the control in the purchase and sale of narcotic drugs for legitimate purposes, the "Measures for the Participation of the Opium Suppression Supervisiory Bureau in the Division of Narcotics of the National Hygienic Laboratory" were issued. In short, all these laws and regulations were promulgated for the purpose of providing drastic operation and of preventing any possible abuse in future.

In regard to the cultivation of the poppy, its prohibition was effective immediately in the eight "interior provinces" of Honan, Hupeh, Anhwei, Kiangsi, Kiangsu, Chekiang, Hunan and Fukien and gradually in the remote "frontier provinces" of Shensi, Kansu, Yunnan, Szechuen and Kweichow. In regard to the consumption of opium, its suppression began with persons connected with the Kuomintang party, the Government employees, the military organizations and educational institutions, who, by their leadership, should set an example for the people at large. Addicts found smoking opium were to be sent for compulsory treatment to hospitals or special clinics established in various provinces and municipalities. The aged and the sick, unable to undergo a complete cure within a short period, might be allowed to continue smoking for a definite limited time by obtaining temporary permits. But opium smoking so permitted must be gradually reduced and absolutely stopped within six years or less. Opium hongs and retailers under special license of provincial and local authorities to sell opium to those persons permitted to smoke temporarily must be reduced gradually from year to year and no increase whatsoever should be allowed.

### Success Achieved

When the year 1936 came to an end, it meant that the period of suppression of opium drugs had expired, after which drug addicts, dealers and manufacturers, were to suffer the death penalty. In their Report for 1935, the Central Commission for Opium Suppression claimed that "the interior provinces of Honan, Hupeh, Anhwei, Kiangsu, Chekiang, Fukien, Hopei, Shantung and Shansi have been declared entirely free from poppy cultivation." As to the "frontier provinces," poppy cultivation is still temporarily permitted, each under a fixed scheme of gradual suppression.

In Szechuen, formerly, out of 148 hsien, there were only four or five hsien free from poppy cultivation. In the winter of 1935, poppy cultivation was suppressed in 138 hsien, leaving in cultivation only 10 hsien, which are to be reduced from the winter of 1936 to 1939. In Yunnan, a three year suppression plan was enforced, beginning from 1935, ending in 1937. In Kweichow, a five year suppression plan was enforced, beginning from 1935 ending in 1939. In Shensi, in 1933-35 poppy cultivation was suppressed in 73 hsien, and in the remaining 19 hsien it will be entirely suppressed by 1937. In Kansu, in 1935 cultivation was suppressed in 13 hsien, and in the remaining 54 hsien it will be gradually reduced until entirely suppressed in 1939. In Suiyuan, in 17 hsien, poppy is grown. From 1935,

each of the 17 hsien has been divided into five districts; one district will being eliminated each year until 1939. In Ningshia, in 7 hsien poppy is grown. The total amount of cultivated poppy land was reduced in 1935 by two-fifth and will be reduced in 1936 by three-fifths. Consequently, there is good reason to believe that if the government can carry out its fixed plan unobstructed by unforseen circumstances, the results should be as expected at the end of six years!

**Lack of Co-operation from the Powers**

The above brief accounts show that China has been fighting hard to suppress the opium evil once for all, but so far, China is fighting the battle alone. There is not only no co-operation from the powers, but there are many other obstacles put up by them. There are not only no international treaties or agreements relating to opium or narcotic drugs between China and foreing powers, but the existence of the many "foreign concession," "settlements," "leased-territories," and territories "under foreign military occupation" offers wide refuge for the opium and narcotic addicts. It is not infrequent that the opium and narcotic offenders have taken refuge in the concession, settlements and leased territories, etc., where the authorities failed to collaborate with the local governments which are trying to make such arrests. Not only that; some foreign concession authorities would even go so far as to afford shelter in their concessions for their ronins in conjunction with Chinese vagrants to erect plants for clandestine manufacture of narcotics or to keep places for storing drugs. Occasionally, there would be effected a few seizures in order to pretend that the legal obligations are fulfilled, but even in such cases the offenders involved are usually set free after submitting to a nominal fine as punishment. It is therefore only natural that the concessions, settlements etc., are made use of by manufacturers of drugs as shelters, by traffickers as headquarters and by traders as centers of activity. In addition, the vessels flying foreign flags engaged in ocean, coastal or river navigation, would not be subject to the anti-opium laws of China. Thus, the government's work of opium and narcotic suppression has been and is greatly handicapped.

For example: the Province of Jehol, which is now under the Japanese military occupation. A recent report (see *Shun Pao*, dated January 7) from Chengteh (capital city of Jehol), stated that: "At present, the Japanese and Manchukuo authorities, realizing that opium will yield good business, and it being the source from which the military and administrative funds are derived; and further, as it is one way to 'poison' the North-Eastern Chinese, they have decided to postpone the orders of prohibition of opium smoking and opium drugs. In addition, they take more definite steps. The Opium Smoking Directing Bureau has been ordered to be amalgamated with the Police Bureau of Jehol Government; and an Opium Police Section has been created. The Opium Smoking Directing Bureaus in other hsien have also undergone the same reorganization. The Japanese authorities claim that they would be able to inaugurate 'a new system' as well as to open 'a new era' in the administration of opium."

Continuing, the same dispatch described that according to the plans of the "central authorities" of Manchukuo, no less than 7,000 ching (one ching is 500 mow) of land throughout the Province of Jehol is used for the cultivation of poppy, which means an increase of 2,000 ching in comparison with the area of land used for cultivation of poppy last year. To speak of Chengteh alone, no less than 270 ching of land is used for cultivating poppy. At present, according to the report, Jehol is being divided into "districts" for cultivation of poppy. The following is a rough table:

| | | | |
|---|---|---|---|
| First | Distict | 2,250 | mow |
| Second | ,, | 4,000 | ,, |
| Third | ,, | 1,400 | ,, |
| Fourth | ,, | 5,500 | ,, |
| Fifth | ,, | 6,600 | ,, |
| Sixth | ,, | 7,250 | ,, |

**More Rigid Enforcement Demanded—Protests Should Be Totally Disregarded**

We are gratified to know that General Sung Chih-yuan, the commander of the famous 29 Route Army in North China, and until lately, concurrently, chairman of the Hopei-Chahar Political Affairs Commission, has ordered the drug traffickers and addicts found in the Hopei and Chahar Provinces after January 1, to be shot by a firing squad. It was also announced that a public cemetery has been securred near the East Arsenal covering over 100 mow of land, for burying those executed.

According to another report, the Tientsin authorities have started the new campaign against drug addicts and peddlers with a vengeance. In the Wuching district in Tientsin, 128 people, including robbers and drug addicts and peddlers were executed by shooting. The death sentences, it is added, were carried out after approval had been obtained from the Office of the Pacification Commissioner for Hopei.

But, unfortunately, there are always other elements which try to hinder the enforcement of the good laws and useful regulations. The Chinese Press Association, Transportation Union, Red Swastika Asssociation, Mining Teh Relief Association, Yellow Swastika Association, Tze Yu Charity Association and Blue Swastika Association have collaborated in dispatching a joint telegram to General Sung requesting that the order to execute narcotic dealers and drug addicts be postponed. The Chamber of Commerce in Tientsin did the same thing. We feel ashamed that such charity associations and the Chamber of Commerce should send in such "disgraceful petitions," instead of assisting the government authorities to wipe out the opium evil. So we urge the government authorities and General Sung to go on enforcing these laws and regulations with more vigor, with determination and courage, and to totally disregard all these "protests" from any circles which have only the interest of "money" at heart, but not the welfare of the nation. Lastly, we admire General Sung who, under such difficult conditions, could enforce the law with such rigidity. We urge him to handle the situation with firmness, and exeute as many drug addicts as he can find under his jurisdiction, in spite of any protests from Chinese or foreign sources!

Nanking, Jan. 14, 1937.

## China Continues to Lead in Purchase of American Airplanes

According to figures published by the United States Chamber of Commerce, China continued to hold her place last year as the biggest purchaser of American airplanes. China's airplane purchases in 1936 reached a value of U.S.$6,872,000 as compared with U.S.$4,579,000 in 1935.

**Chungking-Kweiyang Air Service Temporarily Suspended**

As a result of the Shensi imbroglio, the Chungking-Kweiyang air service of the China National Aviation Corporation, has been temporarily suspended.

**Southwest Aviation Corporation to Open Kwangsi-Yunnan Service**

The Southwest Aviation Corporation is planning to inaugurate a Kwangsi-Yunnan air service in the near future. The service, when inaugurated, will start from Nanning, former provincial capital of Kwangsi, and terminate in Kunming, provincial capital of Yunnan.

**New Air Firm Official Resigns—Gets Leave**

Rejecting the resignation of Chang Yun-yung, chairman of the board of directors of the newly-formed Hui Tung Aviation Corporation, Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, Jan. 15 granted the former a three-month leave of absence.

## Japan Air Firm Orders 21 Planes

Orders for the construction of 21 crack passenger airplanes were been placed last month with the Nakajima Airplane Manufacturing Company by the Nippon Air Transport Company. Included in the number of ordered craft were: six 14-passenger G.C.-2 Douglas airliners; four Nakajima H.T. high-speed planes, each carrying eight passengers; and 11 Airspeed Envoy type craft. All these planes will be used on the Tokyo-Dairen trunk air line. Orders, it is understood, have also been placed with the Tokyo Airplane Manufacturing Company for several lighter planes, to be used on local lines. The Company's much-publicised Tokyo-Hokkaido air line will be opened to the public in April, as soon as the construction of radio beacons is completed.

## South China Reverts to "Ox and Cart" Stage, as Gasoline Prices Soar

In view of the increasing prices of British and American gasoline owing to the falling of the provincial banknotes, the Kwangsi authorities have ordered the use of horse or ox carriages in place of the motor buses and cars for highway service, according to a recent report from Kweilin. Prices of gasoline are going skyward, as one Kwangsi dollar is equal to about 40 cents Hong Kong currency. This "back to horse-and-buggy" movement is not mandatory but the peasants are urged to use animals for transportation for short distance routes.

Carriages drawn by horses and mules go slow, but their cost and upkeep are much lower than a motor or diesel-engined vehicles. Many highway buses in Kwangsi use crude oil, but such machines are expensive.

## Good Slap Prescribed for Rebel Leaders by "Central Daily News"

Depicting Chang Hsueh-liang and Yang Hu-cheng, the ringleaders of the Sian rebellion, as two drunkards, the official *Central Daily News* asserted that the most effective way to restore their sobriety is to give them a good slap on the face.

# China Militarism Due to Superstition

BY CHIEN TSEN-HAI

SINCE the downfall of the Manchu Dynasty in 1911 China has experienced more than twenty years of civil warfare.

No sooner had the establishment of the Chinese Republic been declared to the world than political discord expressed itself boldly between Yuan Shih-kai, the first President (with Northern military leaders under his command) and the leaders of South China (in sympathy with Dr. Sun Yat-sen and his Kuomintang, then a democratic party). In 1913, the first civil war broke out. From the beginning it seemed that the issue was between monarchism and democracy. But, to all intents and purposes, disputes did not occur between the people in the south and the north, but between the military leaders who supported Yuan Shih-kai and those who opposed him in the name of a republic. The people who, for the most part, knew little, if anything, about what the war in 1911 meant, as the abdication of the Manchu emperor was in reality made possible through the intrigue of Yuan Shih-kai and his generals rather than by a nation-wide mass revolution, nor did the public take any active part in 1913, except a few Kuomintang members and secret societies scattered in several important cities.

Three years later Yuan Shih-kai breathed his last after having been completely defeated in warfare staged, mostly, by southern militarists against his attempted monarchy. Along with the death of this overlord of Northern militarists, the overriding authority to which they paid common allegience and under which they had been organized and fed, went out of existence. Each of them took all possible power unto himself, to be an independent and powerful warlord. Meanwhile Dr. Sun Yat-sen, the founder of the Kuomintang, was recognized by said southern militarists not so much as an indisputable leader from whom revolutionary generals should receive commands, but as an agitator—from whom most of them as a matter of fact only desired to use borrowed light to attain their private ends. By warfare against Yuan Shih-kai, they declared their provincial independence in defiance of the Central Government (then in Peiping) and asserted their personal authority within the province or over the provinces where their army was stationed. Thus, by the death of Yuan Shih-kai in 1916, every warlord in the south or the north found himself a mere individual armed and powerful, under no obligation to law or morality; each stood actually, though not nominally, independent of the other, with the army as their private weapon and the province or provinces, their personal kingdoms. Civil wars followed civil wars with ever-increasing audacity between the north and the south, among provinces or within a single provinces; the big warlords fought for central authority and the lesser ones for the luxury of a provincial kingdom, utterly regardless of the interests of the people as a whole, although their challanges were as a rule made in terms of this high-sounding word. The tremendous losses, material or spiritual, which more than twenty years' of civil warfare have brought upon China, can not be estimated.

### Army Mostly Recruited from Peasants

In the course of these distressful years many thoughtful Chinese have endeavored to seek the final eradication of this disastrous evil. Generally two questions arise: Why the soldiers who were and still are recruited from the country should be willing to lay down their lives before the altar of personal interests of those warlords and why in the last analysis they should come to be soldiers, since soldiers in China are generally poorly fed and ill-treated. To begin with, for thousands of years China has remained a purely agricultural country with a scanty commercial development along the Grand Canal. Peasants lived upon the farm with a little handicraft to make good their simple living. After the opening of seaports, manufactured goods of Western industrial countries have poured in—and needless to say, this inflow tends to kill the little handicraft which has so far been attached to the backward rural economy. Meantime China has been hastening the process of full modernization of itself, especially in governmental structure and army equipments. Now the government and army, proceeding rapidly along modernization lines, do not enjoy industrialized economy as its basis, which should yield exuberance of resources to lubricate the process. In consequence heavy taxes and increased levies are made necessary incidentals to their progress. Farmers, the only big object of the government's inevitable imposition and other exploitations, and the important victim of the overwhelming inflow of goods from Western machine industry, are being pauperized at a terrible speed. They mournfully depart from the farm, and as they do not find many factories in the city on account of overwhelming pressure from highly industrialized powers, and of scanty native capital, characteristic of an agricultural country, they lose themselves in the army.

It is no exaggeration to assert that Chinese solidiers are all peasants, with a few exceptions. A study of the peasantry rather than a study of the personality of this marshal or that, will, therefore, make clear the situation, by reason of which China has suffered so many years' internecine warfare. Chinese peasants are generally illiterate. Ancient legends and tales brought down from time immemorial constitute their only education, from which as from their simple rural mode of living, they derive their ideas and form their views of everything they meet from the incidental appearance of a rainbow or the sudden death of a neighbor's aged cow to matters of far more consequence, such as the abdication of the Manchu emperor or the extraordinaay rise of a warlord.

Chinese peasants are probably more superstitious. The implements they employ for ploughing and harrowing are those of remote, even ancient, times. They are generally made of wood and crude iron, embodying no defined idea of science. The backwardness and simplicity of the implements, together with the painful illiteracy with which they are inflicted, minister to the superstition of the Chinese peasantry in general. Many distinguished warlords and chivalrous generals in the long series of our history are worshiped as gods enjoying shrines and altars up to the present. Many clay idols, gilded and dressed in ancient costumes, enshrined in magnificent temples in cities in Honan, Hopei and other provinces, still represent the King Liu-pei, the bloodthirsty general Kuan Yun-chang and many other prominent figures in the time of the "Three Kingdoms," which existed thousands of years ago.

### Enchained by Deep-Rooted Superstition

In the very nature of things, Chinese farmers, enchained in the abyss of deep-rooted superstition, would fight and slaughter at the expense of their own lives, and also others, merely because of personal caprice, presonal interests or the personal ambition of one single warlord or another. They would gather under the banner of an individual warlord and pledge their life-long personal obeisance to the lords, as if to gods. During and after any brilliant battle, ridiculous legends spring up which are invariably connected with some ancient tales of centuries ago. These in turn serve to fasten the chain which binds together the warlord and his huge flocks of fools.

To such superstitutions are to be added the strong sentiments of family and locality, but by all means not those of a nation. Nationalism such as Dr. Sun Yat-sen defined and stressed in his work, "Three Principles of the People," (which has been branded chanvinistic or anti-foteign by a certain neighboring power) has only permeated the uppermost strata of modern youth in China.

The implements which constitute an important part of agricultural production, as of any other field in China, are but a few acres of farm, owned by the family. This ownership and employment of the means of production by the individual and the family no doubt lead to the pertinacity of individual and family feeling among the peasantry in this country. Generally they know little about "group" and still less about "nation." They are contented with the satisfaction of their own wants—wants of the individual and the family. In Chinese Buddhism, the strong family sense has given rise to the proverb, "In the event the individual should become a Buddha, his hens and dogs would ascend to Heaven"—not to mention his family members and his domestics. The sense of family and the individual dominates everywhere from the highest government organ down to village institutions. As an instance, just recently a well-known military leader in China who had enjoyed a luxury of nation-wide celebrations of his quinquagenary, mourned, in spite of himself, in his official statement with far greater emphasis over the vicissitudes of his family and hardships of his parents in the past, rather than over the vicissitudes of the nation and hardships of the people today. Certainly he is not to be reproached. Only some decades ago in the Manchu Dynasty the army, as a custom, carried the banner which bore the family name of the general who was in command of the army. Naturally the army was to be his personal possession, not the people's, nor the nation's; and in the army accordingly, only personal allegiance, which is based upon superstitution and combined with localism, could hold the organization in its entirety. Apparently such banner has long been repudiated, but the family and personal sense embodied in it has never been discouraged. On the contrary it proves to be as strong and demonstrative as ever.

### Localism Strengthens Superstitious Sentiments

Localism contributes greatly to the strengthening of the sentiments of antiquated superstition and is itself one important element in the formation of the warlord system. It spontaneously grows up from regions where mountain ranges and not navigable rivers form natural boundaries of provinces and separate them the outside world, where a few miles of distance may involve days of travel, and where outside world news would arrive after a long period of its occurrence and could only be looked upon as historical events. These conditions have rendered most provinces as separate kingdoms, ruled by more or less independent warlords. It is worthy of note that the National Government has done a great deal in the extension of communications. But so far their work proves to be but little, in contrast with the vastness of the country and its nearly interminable mountain ranges. In con-

## ONE REASON WHY CHINA CAN'T DEFEND ITSELF

The *Chicago Tribune* in an editorial Dec. 18 mentioned that what happens in China is not infrequently more important than events in Europe on which American attention is usually fixed. Especially China and Japan, in recent years had been forcing themselves upon American indifference, but even so Americans had not yet established a true proportion.

When Gen. Chiang Kai-shek was captured America was in the midst of the excitement over the romance of Mrs. "Wally" Simpson, the American divorcee, and the British king. The *Tribune's* comment was that American interest in the London affair was justifiable, but not America's lack of concern over the event in China.

The *Tribune* further commented: "We do not allege that Tokio is back of Chang Hsueh-liang or his capture of the Chinese generalissimo. Latest reports give some hope that Chiang may be saved; on what terms we cannot know. But it may prove that the masterful men in control of Japanese policy have decided that they must put her fate to the test now before it is too late to save their program of imperial expansion. If so, we are in for a world crisis. We can only hope it is not so, for the sake of China, of Japan herself, and of the world, not forgetting ourselves."

—*The Chicago Tribune*

sequence, these kingdoms are well guarded against effective attack from without by its natural barriers, and from within strong sentiments of locality (generated under circumstances above mentioned), have stifled any possible variance among the army members who are owned by the warlord as his private property. In most cases, if the general is a native of Shantung, the rank and file under him would all be Shantung men, and is he happens to be a Cantonese, then he would have a multitude of Cantonese soldiers at his disposal. It is, then, quite natural that we have the titles of our army commonly connected with the names of the native province where the army members principaly hail from. These titles, such as Honan army, Kwangsi army, etc, are, though not official, yet far more popular. Curiously enough even the Chinese Communist Party, which has repeatedly asserted itself as being the most advanced and enlightened political organization in the world, finds itself embarrassed by strong sentiments of localism. The Hunan clique, headed by Lee Lih-shan, who actually directed the insurrection at Changsha (Hunan) in 1930, and the Kiangsu-Chekiang clique led by Chu Chiu-pai, who was the foremost theorist of communism in China and who who became the leader of the party in 1927 after the failure of Cheng Tu-shou, the father of Chinese Communism, are notorious, although localism has more than once been condemned in the resolutions of the party.

Superstitious sentiments, family feeling and localism constitute the chief bases upon which warlords in China build up their private ownership of army and private kingdoms. So long as the army belongs to, and the country is divided as separate kingdoms among private individuals, conflicts of interests among them will naturally develop into civil war—by which tremendous losses, material and moral, to the people are involved, and after which no unsuccessful warlord, however recalcitrant he might be against the Central Government, could be pushed to the extremes, simply because he, who has now retired, still commands a deep-rooted personal alligience in the army, formerly under his command. Since the Kuomintang under the leadership of Chiang Kai-shek has come into power, it has devoted the more assiduously, in more recent years, especially in case of the Generalissimo himself, to the work of national material reconstruction such as the building-up of a gigantic airplane fleet, the extension of railways and highways, etc., not without the view, as it should seem, to the final break-down of mountain barriers which have made the warlord system possible. Those, and their merits or demerits, will not be entered into here, since they are not within the consideration of this article.

## Shanghai Public Benevolent Cemetery Conducted 40,345 Free Burials Last Year

The Shanghai Public Benevolent Cemetery, in its annual report for last year, states that during the year 1936, a total of 40,345 bodies were given burial and a total of 18,185 free coffins were supplied. Some idea of the magnitude of the task carried on this by organization may be gathered from the fact that the majority of the bodies were picked up in the streets of Shanghai, comprising the International Settlement, the French Concession, and Greater Shanghai.

The burial of over forty thousand unclaimed bodies is primarily a work of mercy, but it is also a work of necessity, for many of the bodies are collected from the streets before they become a menace to the health of the community. The organization has its own men who tour the district daily, collecting the unwanted bodies from streets and hospitals, and giving them a decent burial. This work is carried out with the co-operation of the Shanghai Municipal Council, the French Municipal Council, and other public organizations, branch-offices being maintained in the Settlement, the Concession, Nantao and Chapei.

A total of 1,155 male bodies and 122 female bodies, without coffins, were buried by the organization during 1936, with an additional 482 males and 234 females with coffins, An instance of the high mortality rate of unwanted babies is seen by the organization's records showing a total of 21,050 infants in coffins and 16,905 merely wrapped in matting having received attention at its hands.

# Communists Again Active in South China

*(From the Review's Correspondent in South China)*

WITH the Communist Government in Shensi threatening to disrupt the equilibrium of the North-western provinces, the question that is mostly engaging the mind of the Canton and Kwangsi authorities is the suppression of Communist activities in the South. Although Communists in South China were entirely suppressed in Kwangtung and Kwangsi in recent years the fact must be borne in mind that the Communist leaders now in control in Sianfu, men like Miao Tse-tung (so-called Chairman of the Chinese Soviet Government) and Chu Teh were once Communist commanders of Kiangsi whose names were associated with most of the Red reigns of terror in Kwangtung before 1933, when the same horde of Communist bandits was driven from Kiangsi to Kwangsi Kweichow, Yunnan and finally Shensi and Shansi.

From the most reliable sources the writer understands that today there are agents of the same group of Communists working in different parts of Kwangtung and Kwangsi hoping to revive their Red propaganda and other activities in the South. The greatest political attention was caused this week, when three Communist teachers and some twenty middle school students were detained by the authorities in Pakhoi, following the Police disclosure of a sensational plot.

For some days the Pakhoi authorities have been informed that Communists were at work in this southern commercial town of Kwangtung, the same spot where in September last a Japanese druggist, Jyunzo Nakano, was murdered, during the occupation of that town by pro-Kwangsi Nineteenth Route Army troops. These strongly anti-Japanese troops have since withdrawn from Pakhoi, when the town was taken over by pro-Nanking troops from Kwangtung. Following the appearance of Communist literature and pamphlets in the city the Pakhoi Police conducted a rigid search of postal matters and found among them letters sent by Communists in North China to their agents in Pakhoi. While the Police were following up clues they were informed of a Communist assembly held in one of the Chinese schools, which was raided. Believed to be the man sponsoring the Communist movement in Pakhoi is a primary school master, Feng Lin-sin. Further enquiries showed that the detained Communists called themselves supporters of the "People's Front," the same slogan which is being most commonly used by their Shensi compatriots.

While it would be premature to link the present Communist plotting in Pakhoi with the Nakano slaying, it is most significant to note that one of the highest commanders of the former Nineteenth Route Army not long ago made the surprising statement that he personally believed that the Nineteenth Army favoured cooperation between the Communists and other patriotic groups in China such as the Shensi people for armed resistance against Japan.

### Return of General Chen Ming-shu May Presage "United Front" Activities

Another influential member of the Nineteenth Route Army, General Chen Ming-shu, the "political brain" of this Cantonese army, returned to Hongkong this week after a lengthy sojourn in Europe and allegedly a secret visit to Russia. Between 1931-1932 he was Minister of Communications in Nanking but because he was dissatisfied with Nanking's treatment of his Nineteenth Route Army he and Eugene Chen, George Hsu Chien and others sponsored the Fukien uprising in 1934, which worsened his erstwhile friendly relations with the Central Government. In Europe and London Chen Ming-shu recently attended meetings of the sponsors of the "United Front," demanding armed resistance against the Japanese. His return to Hongkong may witness an immediately renewal of activities of this "United Front" in the South west, leading to furtherance of anti-Japanese boycott, etc.

Another important political development which is fully expected with the return of Chen Ming-shu is the further strengthening of relations between the retired Nineteenth Route Army leaders now in Hongkong and the Kwangsi Government. One of Chen Ming-shu's closest associates in the Fukien coup of 1934 was General Li Chi-sen who was Canton's Commander-in-Chief before 1928, as the distinguished predecessor of General Chen Chi-tang. Li Chi-sen has stayed in Kwangsi for some months now, playing an important role during the Nanking-Kwangsi peace negotiations in September last, which resulted in a compromise offer from Chiang Kai-shek, who settled the issue by paying a large sum to the Kwangsi Government to carry out the latter's much desired disbandment of the Kwangsi militia. Today it is known that Li Chi-sen still plays the most influential part in the Kwangsi military and political affairs, although he holds none of the high posts at Kweilin, Kwangsi's new capital.

At this writing rumors are thick in the air that General Pai Chung-hsi, Kwangsi's young vice-Commander-in-Chief, contemplates taking an a air trip to Fenghua to see General Chiang Kai-shek and Wang Ching-wei to discuss the Shensi and Kansu issue and the agenda of the coming Third Plenary Session of the Kuomintang C.E.C. and C.S.C. next month. Since early in September, when Chiang Kai-shek announced his acceptance of the Kwangsi settlement terms, it was reported many times that the Nanking Generalissimo would arrange a momentous meeting with his erstwhile Chief-of-staff. Pai Chung-hsi occupied this latter portfolio in 1926-1927, when he followed the Generalissimo to the northern expedition, being the first among the Nationalist regiments to enter Shanghai. But this promised meeting never materialised. If Pai Chung-hsi should make up his mind and visit Fenghua the conference there should settle once and for all time the unnecessary suspicion which Nanking has over Kwangsi's military preparation of recent years.

Kwangsi reports say that even if Pai Chung-hsi does not visit Fenghua this week he or General Li Chung-jen (Kwangsi's military commander No. 1) is sure to attend the February plenary session going to Nanking by air with Gen. Yu Han-mou, the new Pacification Commissioner of Kwangtung and Chen Chi-tang's successor.

Kwangsi's declared participation in this session has caused much speculation. It is said that Kwangsi will make a bold demand for armed resistance against the Japanese, which may create a more sympathetic consideration for the present political aspiration of the Shensi insurgents. Pro-Shensi politicians in the South recently declared that the people in the North-west and other young and more radical sentiments think that China must go to war with Japan before the expected outbreak of the second world war in Europe. They do not agree with the more moderate school of thought in Nanking that China should only go to war with Japan after the outbreak of the world war when China would be placed in a much more favorable political position vis-a-vis Japan. The same sources claim that Nanking's policy towards Japan has undergone a radical change since events of December 12, when Chiang Kai-shek was detained. There is a tendency in China to maintain a much stronger attitude towards Japan, though the authorities in the Central Government still have not abandoned hope for the settlement of outstanding Sino-Japanese controversies through diplomatic channels. These moderate leaders further stipulate that even if hostilities with Japan he come inevitable such fighting must be confined only to a section of the country, not involving the whole of China. The acceptance of non-Kuomintang, Communists and other political parties into the Government is another outstanding issue which may have to be settled in the coming plenary session. This suggestion is not likely to be accepted at the present juncture, because acceptance of the Reds and other political parties into the Government will naturally weaken the Kuomintang. Today there are many Kuomintang leaders who still can hold the highest of the Government posts because of their long association with the Party; such power and prestige they cannot enjoy otherwise if an opposition party is to be tolerated.

Because of the Shensi development the political attention of our eastern neighbors once again has turned towards Kwangtung and Kwangsi. A number of women spies mostly from a certain country have arrived in Canton City. Their appearance in Shameen and fashionable hotels along the Bund and their intimate relations with some young officers of the Army and Government have led the Police Commissioner to issue instructions to all Police members to watch the movements of such beautiful alien visitors. A party of Japanese journalists from Formosa narrowly escaped trouble with the Swatow Police this week, when they took some pictures of Swatow forts and other strategic points. Their films were seized and confiscated. Following these incidents the Canton Provincial Government circularized all subordinates that military maps should not be shown to unauthorised persons.

January 17, 1937.

# President Roosevelt Inaugurated for Second Term

President Roosevelt was inaugurated for his second term as President of the United States at Washington, D. C., Jan. 20. The U. S. Consulate General in Shanghai observed the day as a holiday, although as a matter of fact, owing to the difference in time (Shanghai time being 13 hours in advance of Washington) the actual time of the inauguration in Shanghai time was the early hours of the following morning. Despite inclement weather hundreds of thousands of American citizens flocked to the Capital for the inauguration.

Among the legislation that will be introduced shortly in Washington is that curbing the power of the Supreme Court. Meanwhile the Court has gone into recess, apparently deadlocked over New Deal legislation.

### Strike Situation in U. S. Does Not Improve

Reports from Michigan towards the end of the week indicated that the strikes in the automobile industry were spreading. Rioting broke out at the General Motors plant in Flint, Michigan, on the night of Jan. 19. At the Briggs Motor Body plant in Detroit, Jan. 18, the police used tear gas to quell a riot.

# News Notes from Canton

*(By the Review's Canton Correspondent)*

Thousands of Canton's citizens participated in a parade and a mass meeting held Sunday, January 10, by the Anti-Poisonous Drugs society. The parade began at 10 a.m. when over ten thousand persons assembled in front of the Dr. Sun Yat-sen Memorial hall. They then marched through the city. Dramatic troupes and municipal bands were included in the procession. The Mass Education Institute was the scene of the meeting, which was attended mainly by governmental officials, students, and other public representatives. Tangpu officials spoke on the importance of the movement to the Chinese people.

Word has reached Canton that the highway under construction between Samshui and Szewui, two cities in the North River district, has been completed. Regular bus service with coaches leaving four times daily has been established between the two cities.

A farewell dinner was given in honor of Herbert Phillips, British Consul General who is departing from Canton on leave. The hosts were Gen. Yu Han-mow, Commander-in-Chief of the 4th Route Army, Gen. Huang Mu-sung, Provincial Government Chairman of Kwangtung, and Mayor Tseng Yang-fu. The dinner was held in the auditorium of the Municipal Building on the evening of January 12. Among the guests were civil and military officials and foreign consuls in Canton.

Officials of the Hong Kong Observatory visited Canton on Jan. 11 as guests of local authorities. During their stay they visited the Chung Shan University campus, the meterological station at Shekpai, the Dr. Sun Yet-sen Memorial Hall and the Sunflower Hill Mausoleum. They returned to Hong Kong late in the afternoon of the same day.

Wing Hon Road, one of Canton's main thoroughfares, will be called Han Min Road if the Kwangtung Provincial Government accepts the petition of the committee in charge of the state burial of the late Hu Han-min.

Members of the Resources Commission, a branch of the Military Affairs Commission, will make an investigation of all wolfram mines in Kwangtung. Places included in the tour will be Hoifung, Lukfung, Swatow, and Waichow. Further development of these mines is expected to follow the inspection.

Vilas Ostanada, Siamese Government Trade Commissioner for China and Hong Kong, visited Canton on Jan. 15. His hosts were Dr. Philip Tyau, Special Delegate of Foreign Affairs Ministry for Kwangtung and Kwangsi, and other local authorities.

## Smuggling Again Becomes Prevalent in North China

Smuggling has again become prevalent in North China. The *Min Pao* Jan. 19 stated that, for the encouragement of the smuggling trade, the Japanese have recently set up two principles governing their activities in this connection:

1.—A Joint Transportation Company for North China, Manchukuo, and Mongolia is to be established in Tientsin. The total amount of capital is $500,000. Eighty motor trucks will be purchased for transporting the smuggled goods from Tientsin to Jehol, Inner Mongolia, Kalonor, and Pingtichuan.

2.—The organizations for the smuggling trade will be made unified by supporting the "International Trade Society", owned by the brother of Zia Chia-shih, Minister of Foreign Affairs of the puppet Manchukuo regime, so that it might absorb all other so-called "Special Trade Companies".

As a consequence of this, Japanese smuggled goods are now circulating everywhere in Tientsin. They are openly sold in every corner of the City by Japanese ronins.

### $800,000 Worth of Smuggled Goods Stored in Tientsin

Between $700,000 and $800,000 worth of contraband goods are now stocked up in the Japanese concession in Tientsin, according to a recent survey. Consisting mainly of sugar, rayon, textiles, cotton piece goods, and paper, the smuggled goods have occupied all available godowns as well as empty lots in Tientsin. The contraband is destined for the interior.

### Japanese Smuggle Sugar Into Tsingtao

A Japanese ship brought to Tsingtao from Dairen 210 bags of smuggled sugar Jan. 17. More than 60 Koreans, all armed, unloaded the sugar and carried it away. The Customs inspectors found it impossible to confiscate the countraband goods, the *Sin Wen Pao* of Jan. 18 stated.

## China Philological Society to Meet in Peiping January 26

The China Philological Research Society, the only institution of its kind in China, will hold its annual meeting at Peiping on Jan. 26. Among other subjects to be discussed at the forthcoming meeting will be the entrance examination on English Language of universities, colleges and middle schools. Dr. Y. R. Chao, well-known Chinese philologist and research fellow of the Accademia Sinica, will preside.

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# Japanese-German Alliance Disastrous to German Trade

BY M. G. SHIPPE

THE alliance between Germany and Japan may for the present not establish a common policy of the said Powers concerning China. However, both the scope and real aims of German-Japanese co-operation is bound to strengthen the Japanese military forces and to weaken China in her struggle for existence as an independent nation. The Japanese interests and the Japanese policy in China are, of course, different as compared with those of Germany, and to a certain extent even contradictory. But the alliance makes Germany a tool of Japan, in detriment to Germany's trade interests in China.

The situation both in Europe and in the Far East is not yet so advanced that Germany could already recognize the Japanese conquest of China in exchange for Japanese recognition of German conquests in Eastern Europe or in parts of the colonial possessions of France and Great Britain. Italy and Japan made already a start in that direction, in their exchange business of official recognitions of the conquest of Abyssinia and the Manchukuo puppet state respectively. But Germany has still to conquer her own "place in the sun", and the German-Japanese alliance was formed in order to help both Powers in their aggressions in their respective spheres of conquest.

The official denials by Germany that the alliance with Japan will affect her policy in China are all caused by the fact that she has important trade interests in China. Apart from the territory of Manchukuo, Japan is not yet free to grant moderate trading facilities in China to her European allies. Germany has to fear a setback of her trade interests in China as a reaction of the Chinese people and Government to her alliance with Japan. For this alliance must affect China as it is in fact an important weapon in the armory of the Japanese military, whose "key foreign policy" is, according to the recently issued pamphlet of the Japanese army,

> "to gurantee the sound development of Manchukuo, to attain perfect harmony among China, Manchukuo and Japan, and to consolidate Japan's position in the Far East as the sole stabilizing force in this area."

Ever since the advent of the Nazi rule the relations between Germany and Japan tended to an alliance between the two countries, which both deserted the League of Nations. The commercial pact between Manchukuo, Japan and Germany concluded early this year was tantamount to official recognition of Manchukuo by Germany. The German-Japanese alliance is the next result of that policy.

The steady growth of German trade interests in China is shown by the unbroken record of increasing imports from Germany even during the last years of world economic crisis and the special Chinese crisis caused by Japan's military aggression. The percentage of Germany's imports into China as compared with the total Chinese import trade was according to statistics of the Maritime Customs as follows: 1930 5.2%, 1931 5.8%, 1932 6.8%, 1933 8%, 1934 9%, 1935 11% and 1936 (January-September) 16.7%. During the last years, since the severance of the Eastern Provinces (or Manchuria) from China, the German imports surpassed first the Japanese share, then the British, and are now competing with the Americans for the first place on the Chinese total imports' list.

The Customs' reports do not show the proper share of Japanese trade with China as they do not contain statistics on the extensive Japanese smuggling into this country, especially in the North. But they are quite reliable as to the foreign trade with Central and South China, i.e., the territory being under the actual control of the Chinese Government at Nanking. In this region German import trade has done remarkably well during recent years, while the British and American imports were declining.

One can now understand the bitter feeling the Chinese press expressed on the matter of the German-Japanese alliance, and especially when the *Central Daily News* wrote:

> "The relations between China and Germany have been most cordial during the past few years, and Sino-German economic and technical co-operation have been mutually beneficial. Yet when a pact which vitally affects the peace of the Far East is concluded, not a word concerning this step was communicated to China beforehand. Under these circumstances, we find no other alternative but to give vent to our indignation . . . ."

Especially the business relations between Germany and the Chinese Government at Nanking were most cordial, and a host of German advisers, both military and civil, is still in the service of the Chinese Government. As a matter of fact German business with the Government or governmental enterprises surpassed at times that of all other competitors, Great Britain and the U.S.A. as well as Japan included. Major L. H. Cripps, of Messrs. Alfred Holt & Co., Liverpool stated in a recent article of the *Shanghai British Chamber of Commerce Journal*:

> "Germany is the only nation at present trading extensively with China, and the Germans are lending China large sums of money for the purchase of material in Germany, and financing power, water and rail transport schemes . . . ."

A great deal of this trading is direct with the Central Government and as such often not recorded by the Customs. The extensive business relations with Nanking, however, did not prevent German traders to supply Nanking's adversaries within China with war materials. The *North China Daily News* stated recently in a special article on the trade arrangements with Germany:

> "The recent upheaval in Kwangtung brought to light the fact that German advisers, aeroplanes and munitions had been supplied to the former Canton regime without the knowledge of the Central Government or of the responsible German diplomats here(?). Equipment for an arsenal in Kwangtung is also believed to have been supplied from the same source."

The Chinese Government has now, as the German-Japanese alliance is concluded, to expect more of that kind of friendship from the same source. The same British organ quoted above was quite right in stating in a recent editorial:

> "Study of the world's press reveals the tendency to fit the red cap on every head which does not bow to Fascism. . . . No doubt, if the present bond of friendship between Germany, Japan and Italy be firmly developed, the Chinese Government may expect before long to find itself figuring in the telegrams as a Bolshevik organization."

Sino-German trade was from many points of view far more advantageous to Germany than to China. As to Chinese exports Germany is mainly interested in securing certain raw materials and ores needed for her teeming war industry (which will now supply Japan with war materials) and a very limited amount of her food articles. The export of Chinese products to the U.S.A. is about five times as much as that to Germany. As a buyer of Chinese products Germany is also falling behind Great Britain, even excluding British possessions. Considering that a great deal of German imports is delivered directly to the Government and therefore often not registered with the Customs (the latter's statistics alone record German imports for January-September, 1936 amounting to Ch.$100 million) we may say without any exaggeration that the balance of Sino-German trade is most unfavorable to China as compared with all principal competitors of Germany, as U.S.A., Japan and Great Britain.

The so-called barter agreement between Germany and China, providing that the Chinese Government buys on credit from Germany machinery, airplanes, etc., to the total amount of $100 million to be repaid by successive delivery of certain raw materials from China, is also far more advantageous to Germany than to China. The amount of raw materials bartered from China on the terms of that agreement will result only in an insignificant increase, if any, of the totals of Chinese exports to Germany. It is, in fact, a one-sided arrangement by which Germany gets the privilege to secure, in exchange for goods delivered to the Chinese Government, those raw materials she needs and she would anyhow buy on the free market. The unfavorable balance of Sino-German trade is only further swelled by these governmental purchases from Germany and barter arrangements. Through such means enlarging her imports to China, Germany succeeds in securing for herself preferential rights on Chinese exports, which she gets without affecting her reserves of foreign exchange. Moreover, China herself is acquiring an important place as a supplier of Germany with foreign exchange, as a great deal of Chinese exports to Germany is bartered against Chinese Government orders while the ordinary Sino-German trade is going on under conditions of steadily enlarged imports and reduced exports. Germany concluded similar barter agreements with Manchukuo and Japan. It is well known that the leaders of the Nazi Government are striving hard to preserve foreign exchange in order that the gigantic war machinery of present-day Germany may secure the raw materials needed for her industries. From China Germany gets both raw materials as well as foreign exchange,—and repays it now by her alliance with Japan and arrangements for rearmament of Japan which would enable the latter country to continue in military aggression and dismembering China.

How far Germany is co-operating with the military forces of Japan is shown in the following extract from a correspondent of *Oriental Affairs*, dealing with the secret military clause of the German-Japanese alliance agreement. The Tokyo correspondent of the said organ stated in its December issue:

> "Since last year there has been a full and frank exchange between the German and Japanese Governments of information concerning the respective military forces, equipment, and supporting industries at their disposal . . . It revealed that the mechanization of the German army was infinitely superior to that of the Japanese army . . . Moreover, it was revealed that behind the already achieved mechanization of the German army was an industrial structure capable of ensuring not only its maintenance but if necessary its further increase, whereas behind the merely planned mechanization of the Japanese army was an industrial structure far less coordinated and, even if and when coordinated, lacking some of the vital parts . . . And here was the opportunity for Schacht wizardry and Krupp

enterprise, which have already contributed so much to the stability of central and southeastern Europe."

The quoted correspondence points, then, to the close connection between the German-Japanese alliance and the six-year mechanization plan of the Japanese military forces at an estimated cost of Yen 3,200,000,000. The alliance contains a secret agreement for co-operation with Germany on a credit basis in order that the six-year plan may be fulfilled in four years or less.

Germany developed her trade with China since the War with an ever greater success because of her friendly relations with China. The Chinese Government and people proved the point that foreign territorial concessions and extraterritorial rights are not needed nowadays to secure trading rights of foreign countries in China. That Germany after the War was deprived of all privileges resulting from Unequal Treaties was not a hindrance to her trade but an advantage and distinction. Germany owes gratitude for the rapid development of her trade with this country not to Japan but to patriotic forces in Chinese industry and commerce, who are striving hard against Japanese military aggression and for the salvation of their country. The alliance of Germany with Japan under condition of latter's aggression in China is incompatible with Germany's friendship to China.

The realization of the Japanese aims in "attaining perfect harmony among China, Manchukuo and Japan" and in "consolidating Japan's position as the sole stabilizing force in the Far East" would soon make an end to the existence of China as a free trade market. It would close the doors to China by depriving all European and American Powers (Germany included) of equal opportunity in trade with this country,—which Germany enjoys at present with so much advantage to her foreign trade. The alliance between Germany and Japan is thus in itself a most dangerous conspiracy against all European trade in the Far East, the German trade included. This is also well known to all German traders in China, whose interests are being sacrificed by the aggressive policy of the Nazi rulers.

## Japanese Journal Sees Opium as Prominent Factor in the Sian Trouble

"There are many political factors involved in the Sian revolt, but an additional factor is opium," the *Shanghai Nippo* declared in an editorial this week. "Opium," the paper proceeded, "always figures prominently in China's politics. It had a place in the revolt in the Southwest last summer. The Kwangsi leaders desired the big revenues to be earned from transporting the opium grown in Kweichow through their province. At the same time, Hunan wanted to become the opium route from Kweichow. For Kwangtung, opium is still more important, for the opium tax was found to be a great source of revenue. With the adoption of an opium suppression policy, Kwangtung stood to lose an annual revenue of $25,000,000. The Central Government wishes to suppress the opium traffic, but is quite unable to compensate the local militarists for loss of revenues which suppression entails."

### Five Opium Smokers Executed in Peiping

Five opium addicts were executed in Peiping Jan. 13. In a notice to the public, the Hopei-Chahar Political Council declared that anyone henceforth found smoking opium witll suffer the penalty of death. A large quantity of seized opium was burned the same day.

### Korean Drug Dealer Murdered at Taku

Shao Chi-feng, a Korean heroin dealer at East Taku, and two members of his family, were beaten to death by three drug addicts in the morning of Jan. 18 at the former's home. The gang visited Shao's smoking den and spent the night there. The following morning the trio, armed with swords, demanded money and drugs from Shao. When he resisted, the gang beat him to death, and after killing the other two members of his family, made good their escape with a large quantity of drugs.

### 217 Opium Addicts Arrested in Tientsin

A total of 217 opium addicts, including five White Russians, were arrested in the Japanese Concession in Tientsin Jan. 14. The arrested persons were handed over to the Chinese authorities.

### Chinese Drug Smugglers Arrested in New York

U. S. Treasury Department officials Jan. 13 announced the seizure of $175,000 worth of opium, hidden in a cargo hatch of the Blue Funnel Line ss. *Maron*, while docked in New York harbor. Three members of the crew (Chinese) were arrested in connection with the attempt to smuggle the drugs into the United States.

## Marie Wen to Be Deported Back to China—Prison Sentence Suspended

Judge Alfred Stephens in U. S. District Court at Los Angeles Jan. 14 ordered Marie Wen, Shanghai Eurasian girl recently found guilty of trying to smuggle $50,000 worth of heroin into the United States to be deported to China or alternatively to serve a sentence of twenty years in prison. Miss Wen, whose sister Constance had previously pleaded for mercy on the ground that she in incurably ill, appeared in court in a wheelchair. Immigration officials in Los Angeles said that they would deport Miss Wen to Shanghai early in February.

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These symptoms of failing health are indicative of blood impoverishment and enfeebled nerve forces; they are Nature' warnings that tonic tratment is urgently needed to restore quality to the blood and vitality to the nerves, such as is best obtained by a course of Dr. Williams' Pink Pills, which have earned world-wide fame through their direct power not only of purifying and enriching existing blood but of making new blood. Day by day these pills increase the iron-nutriment and red cells in the blood, and day by day you feel the growing benefit. Vitality returns, nerves become quiet and strong, the digestion is strengthened, sleep is more restful, the spirits revive and health and strength are re-established.

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# Rising Cost of Living Becomes Major Political Issue in Japan

JAPANESE political parties are priming their heavy guns for a violent barrage on the Government benches during the forthcoming session of the Diet, find in the rapidly rising cost of living powerful ammunition for their contemplated action.

The general appeal of the issue gave rise to indications that it might overshadow the concerted criticism of the Hirota Cabinet's foreign policies being planned by groups in both Houses.

Directly blamed by the political parties for the increase in prices of commodities, is the record draft budget of Yen 3,038,581,000.

In drawing up this list of tentative expenditures, the Government is charged by parliamentary groups with having unnecessarily "bloated" the appropriations of the civilian branches of the administration in an effort to minimize the contrast between the projected spending of the military and non-military agencies. In spite of this alleged juggling, the Army and the Navy secured 46 percent of the total draft expenditures.

This condemnation of the Cabinet's practices in drawing-up the budget will be included in the address of Dr. Kisaburo Suzuki, president of the Seiyukai, at the party's convention on Jan. 20.

A decision to this effect was reached this week as party leaders approved the draft speech, which will also criticize the Government's foreign, fiscal and administrative policies, *Domei* states.

Heated arguments as to the wording to be used by Dr. Suzuki in unleashing his attack took place at the meeting as the party leaders split into radical and conservative a camps. A compromise was, however, understood to have been reached, with the substance of the acid remarks being retained.

Views similar to those of the Seiyukai, which is now the second strongest party in the Diet, are being held by other parliamentary groups, a canvass of opinion shows.

The increased civil service appropriations, it is pointed out, provide for the additional employment of 20,000 persons, with a subsequent colossal increase in actual overhead. Such additions in personnel also heavily tax the nation's future expenditure as pension requirements have to be taken into consideration.

In order to enforce the new tax measures propounded by Dr. Eiichi Baba, Finance Minister, 7,001 new officials will have to be employed, a critic pointed out. This alone will cost the Japanese nation Yen 800,000 a year. In addition, the Government proposes to increase the staffs of the health and relief branches of the Ministry of the Interior, the prosecutors and judges in the Ministry of Justice and set up such entirely new agencies as the Boards of General Affairs and of personnel of the Cabinet and an independent Trade Bureau.

This general sentiment among political groups has given rise to the belief that the Diet might force a paring down of the budget. If it succeeds (says *Domei*) it will be the first time since 1930.

While the fate of the Hirota Cabinet is still hanging precariously in the balance, the belief has gained ground in Tokyo that in view of the delicate phase through which the Japanese nation is now passing, the question of the Government's diplomatic policy should not be utilized for overthrowing the Cabinet. Such an opinion is shared by important members of the House of Peers.

It seems that both the Upper and the Lower Houses are disinclined to oust the present Government aside from serving some kind of warning on its foreign policy. It is generally believed in Tokyo that with the Minseito unwilling to lead an attack against the Hirota Cabinet, such smaller parties as the Shakaitaishuto, the Kumumin-Domei, and the Tohokai would be powerless even if they were bent upon discrediting the Government.

The *Chugai Shogyo*, a leading commercial journal controlled by the vast Mitsui interests, Jan. 10 predicted that while the Government's tax plan would meet with strong opposition in the Diet, the Cabinet would finally come to see eye to eye with the irate parliamentarians. The Treasury's ordinance of Jan. 8, the journal said, pointed the way to appreciation in commodity prices, aided by the unprecedented budget and the world-wide record expenditures for armaments. The journal believed that the ordinance would permit the Government to control the exchange value of the yen.

### Japanese Officials Want Higher Salaries, As Prices Rise

With the commodity price indices rising beyond the record figures of 1929, Japanese Government officials this week renewed agitation for the restoration of salary slashes made in 1931 by the economy-bent Premier Yuko Hamaguchi.

### Japanese Financial Envoy Departs for U.S. and England

Shoji Arakawa, the newly appointed Treasury commissioner to America and Europe, departed from Yokohama Jan. 14 on the m.v. *Asama Maru* for San Francisco. After a two-month stay in the United States, Mr. Arakawa will proceed to London, where he will have his offices.

### Japanese Treasury Devises New Taxes to Cover Deficit

Faced by the gloomy prospect of a billion-yen deficit in the budgets for the next six fiscal years, Tokyo Treasury officials are continuing to wrack their brains for new revenue-raising schemes. Succumbing, however, to the pressure exerted by protesting groups, the Tokyo Treasury Jan. 14 decided to lower the contemplated levy on security transactions.

Despite the general uneasiness, Tokyo Treasury officials state that they are pleased with the position of the national coffers. The total revenues between April 1 and Nov. 30 of last year totalled Yen 900,511,000, of which Yen 555,310,000 was secured from ordinary channels and Yen 345,201,000 from extraordinary levies.

The boom in the munitions Tokyo and industries producing export goods, a high official of the Treasury said Jan. 14, has already resulted in a gain in receipts.

### Baba Appeals to Bankers' Patriotism in Defending Policy

Dr. Eiichi Baba, Minister of Finance, Jan. 13 appealed to the patriotism of Japanese bankers in urging them against engaging in "selfish, speculative activities running counter to the national interest." Declaring that the Ministry of Finance did not aim at curbing the importation of necessary raw materials or at indirect control of Japanese purchases abroad, Dr. Baba stoutly defended the imposition of a system of licenses on yen payments abroad.

### Japanese Yen Shows New Weakness

Disregarding overseas quotations that remained, unchanged, the Japanese yen Jan. 19 displayed new weakness slipping half a point to U.S. $28 9/16, sellers, and U.S. $28 5/8, buyers.

### Osaka Businessmen to Aid Political Parties

With military appropriations and the commodity prices steadily rising to new heights, the leading businessmen of the Kwansai district, the industrial heart of Japan, revealed their intention in Osaka Jan. 17 to give positive aid to the political parties. The step was interpreted as a warning to parliamentarians to keep a close tab on the Government's fiscal policies, which are regarded as responsible for the current uneasiness in the financial world.

### Japan to Have "Patriotic Stamps" to Build Airdromes

"Patriotic stamps," sold at double the price of ordinary stamps, will be issued by the Tokyo Ministry of Communications on April 1, to enable it to raise Yen 1,000,000 annually for the construction of airdromes throughout the country.

### Japanese Army and Navy Perturbed by Rise in Iron Prices

Perturbed by the sharp rise in the quotations on iron, and its possible effect upon the materialization of the plans for strengthening national defense, officials of the Army and Navy Ministries in Tokyo Jan. 18 began to consider precautionary measures. Representatives of the Fighting Services maintain that the appreciation in prices on iron was caused by speculating industrialists, who expected the current tension in the Far East and the resumption of naval building to result in expanded demand for iron.

### Officials Warned to "Go Slow" in Mutiny Aftermath

Prefectural officials assembled in Tokyo for a conference on the methods of preserving internal peace were instructed Jan. 18 by Michio Yuzawa, Vice-Minister of the Interior, to "go slow" in liquidating the repercussions of the mutiny of Feb. 26. Mr. Yuzawa especially urged the officials to avoid a "bureaucratic attitude," because of its general unpopularity.

### Japan's Trade in East Asia Shows Gains

Registering sharp gains in both the import and the export columns, Japan's trade with China, Manchukuo, Hongkong and the Kwantung Leased Territory during 1936 totalled Yen 1,113,695,000, the Tokyo Treasury announced Jan. 14. With exports valued at Yen 716,160,000 and imports valued at Yen 397,535,000, the favorable balance for the year reached Yen 318,625,000 representing a gain of Yen 46,965,000 over the figure for 1935. The gain in exports over the preceding year amounted to Yen 91,325,000, while imports gained Yen 44,360,000.

### S.M.R. Employee Found Frozen to Death

Tomoji Ueda, 26-year-old clerk in the Tokyo office of the South Manchuria Railway Co., was found dead from exposure in a woods at the foot of Mount Nabefuta, on the border of Nagano and Tochigi prefectures, Jan. 17. The youth had been missing since Dec. 31 when he left Tokyo saying that he would go skiing at Sugadaira.

### Kanegafuchi Raises Wages; Also Food Prices

Wages for both men and women operatives at the Kobe mills of the Kanegafuchi Spinning Co. were raised 5 sen Jan. 19. Simultaneously, the company announced that it would charge each man 21 sen and each woman worker 17 sen per day for three meals consumed in the plant's dining halls. Former food charges were 15 sen for women, 18 for men.

### Army Announces Additional Verdicts in Feb. 26 Mutiny

The Tokyo War Office Jan. 19 announced prison sentences against 15 additional participants in the Feb. 26 uprising. The new batch of defendants included seven officers and eight civilians who were indirectly implicated in the rebellion. The terms of imprisonment ranged between 18 months and five years. The heaviest sentences were drawn by Major-Gen. Ryu Saito, retired, and Capt. Saburo Suganami, both of whom were given five years of imprisonment on charges of assisting the mutineers.

### Minority Party to File Impeachment Motion

Charging the Government with maladministration, the Socia Masses Party, Japan's only legal Leftist organization, was scheduled to move an impeachment of Premier Koki Hirota's Cabinet this week.

### Cabinet Approves Hirota's Diet Speech

Addresses on the state of the nation scheduled to be de livered at the Diet Jan. 21 by Premier Koki Hirota, Foreign Ministe Hachiro Arita and Dr. Fiichi Baba, Finance Minister, were approved by the Cabinet Jan. 19. The Premier's speech, *Domei* predicted, would deal with the following topics: 1. Replenishment of national defense; 2. Reforms in the educational system; 3. Taxation reforms; 4. Stabilization of national life; 5. Promotion of industrial development and foreign trade; 6. Formulation of a policy towards Manchukuo; 7. Reform of the administrative machinery.

## German Cruiser Emden Visits Japan; Commander Decorated; Cadets, Crew Parade

Capt. Walter Lohmann, commander of the German training cruiser *Emden*, which arrived at Yokohama Jan. 18 on a round-the-world training cruise, was decorated with the Order of the Sacred Treasure, Third Class. Lieut.-Commander Berhard Liebetang, second in command on the Reich vessel, was awarded the Order of the Sacred Treasure, Fourth Class. Capt. Lohmann and Lieut.-Commdr. Liebetang was presented to Emperor Hirohito by Dr. Herbert von Dirksen, German Ambassador to Japan, in a special audience on Jan. 21.

Cadets and sailors from the *Emden*, 325 strong, paraded through the main streets of Tokyo Jan. 19 to the music of the ship's band. Later in the day, the band joined that of the Japanese Navy in a concert in the Tokyo Civic Hall.

## Japan Seeks Domination of World Shipping

The Tokyo *Nichi Nichi* Jan. 11 stated that with the New Year, Japan will take a large stride towards world domination in shipping. At present the third sea power in the world, Japan now possesses ships of more than 100 tons to the extent of 4,216,000 tons, but it regards the tonnage insufficient to meet the growing needs of the national and is now aiming at securing 6,000,000 tons.

The Tokyo Communications Ministry bureau of shipping control has, therefore, come to revise its policy of subsidizing only regular routes and has decided on paying subsidies also to distant tramp routes. In the 1937 budget it has appropriated Yen 1,740,000 (Yen 2,330,000 beginning the 1938-39 period) for the purpose as part of a five-year Yen 11,650,000 plan of overseas market development and encouragement of positive efforts to secure footholds in foreign ports.

## Huge Loss of Life on Canton-Kowloon Railway as Result of Explosion

More than 100 passengers were either burned to death or seriously injured and property damage was estimated at $100,000 when No. 10 Canton-bound Canton-Kowloon express caught fire Jan. 16 near Shaklung about 60 kilometers east of Canton. The fire was caused by the ignition of some highly explosive chemical drugs carried by a passenger. Fanned by a strong north wind three coaches were berned in a few minutes. An investigation is being conducted by the railway authorities into the mishap.

## Japanese Boxer Fund to Be Used for Economic Development

Japan may soon follow in the footsteps of Britain by investing from its Boxer Indemnity Fund in economic reconstruction activities in China. Such a move was forecast in Tokyo Jan. 19 as the Cabinet approved a draft bill liberalizing the ways money from the fund may be utilized. The measure, which will be submitted at the present session of the Diet, is assured of passage.

The accumulated reserves from the indemnity payments, officially known as the Fund for Cultural Activities in China, totals Yen 36,000,000.

# In the United States Court for China

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| In re.<br>LAST WILL & TESTAMENT<br>of<br>GEORGE HOBART NEWSOME<br>Deceased. | Cause No. 4147<br>Special Proceedings<br>No. 2026<br>NOTICE<br>Filed at Shanghai, China,<br>December 31, 1936.<br>William T. Collins, Clerk.<br>By E. J. Collins, Deputy Clerk. |

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of George Hobart Newsome, deceased, to present the same with vouchers to the undersigned on or before June 9, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Wiley Blaine Newsome
Yee Tsoong Tobacco Co. Ltd.
175 Soochow Road
Shanghai, China.

Shanghai, China.

It requires only a small inner disturbance to make baby fretful and refuse to play. Remove this trouble and she soon plays happily again, or sleeps restfully. A Canadian nurse tells of the treatment she found successful for her own 'cross' baby girl:

"My little girl was a small delicate baby at birth, always constipated and cross. When she was a month old I bought a box of Baby's Own Tablets and was so pleased with the results obtained I have used them constantly over since, when baby has been cross, feverish, teething, or at the first sign of a cold. She has had no serious illness and I now have a normal, healthy five-year-old who has had no corrective other than Baby's Own Tablets."—Mrs. Mary E. Crosthwaite, Freeman, Ont.

Countless mothers have found Baby's Own Tablets effective for fretfulness, simple fevers, teething, colds, constipation, diarrhoea, upset stomach, colic and other minor ailments of childhood. They are sweet-tasting, correct in dosage, and are certified safe even for the most delicate child. Obtainable at chemists everywhere,

**Baby's Own Tablets.**

## Large Paper Mill to Be Established in Foochow

In collaboration with the Ministry of Industries the Fukien Provincial Government is planning to establish a big paper mill in Foochow to revive the paper industry in said province.

Preliminary negotiations for the establishment of the paper mill were made between the Ministry and Chen Ti-cheng, Fukien Commissioner of Reconstruction, during the latter's recent visit to Nanking. It was roughly estimated that a total of $5,000,000 will be needed for the establishment of the mill and for covering expenses for improving the existing paper mills in the province.

In accordance with a decision reached at the negotiations the Ministry sent Chang Yung-hui, a paper expert, to north and west Fukien to make an investigation of the present paper industry there. After having visited Shahsien, Yungan and Nanping in north Fukien and Liencheng in west Fukien, all paper-producing centers, and making a thorough study of the industry, he is drafting a detailed report to be submitted to the Ministry and the Fukien Provincial Government.

The paper industry was formerly the most booming trade in north and west Fukien, where bombos abound, affording pulp for paper-making. In the early years of the Chinese Republic the annual output of paper amounted to about 400,000 piculs, being valued at approximately $10,000,000. Workers who engaged in paper-making numbered several tens of thousands. Paper produced in west Fukien was then exported by way of Swatow in Kwangtung, while that produced in north Fukien by way of either Foochow or Santu and Amoy in Fukien. Owing to heavy taxes, poor technique of paper-making, and keen competition of imported paper, the paper trade has undergone a heavy slump in recent years.

The present plan of establishing a big paper mill, rivalling the one now being constructed in Wenchi, Chekiang, aims at reviving the trade by the introduction of modern scientific methods of paper-making. Better transportation and distribution facilities will also be provided. Meanwhile, it is understood steps will be taken to improve the existing paper mills in Shahsien, Liencheng, Nanping, and Changting.

### Sugar Refineries in Kwangtung Start Operating Once More

Four sugar refineries in Kwangtung, which closed down when Gen. Chen Chi-tang, former warlord of the province, departed for Europe, resumed operations on Jan. 14 under the management of the provincial authorities.

### Steel Works to Be Opened in Kwangtung

Marking a further step toward the industrialization of Kwangtung, a gigantic steel works will soon be erected in Canton under the auspices of the provincial government. The construction work has been entrusted to a British firm. Two new provincial-owned sugar refineries at Shihtou and Hsinhsieh commenced operations Jan. 15.

### Hunan to Open Spinning and Weaving Mill at Chuchow

The Hunan Provincial Government is planning to open a new spinning and weaving factory at Chuchow which will be capitalized at $2,000,000. The Bank of China will be responsible for half of the initial capital while the balance will be raised by the provincial government.

### Chinese Cement Industry Seen on the Up-Grade

Since the Ministry of Finance raised the import duty on cement coming from foreign countries, the Chinese cement industry has gradually emerged from its former precarious situation, the recovery process being aided considerably by the merger of the Chih Hsin and China cement factories. The annual output of the Chinese cement plants now totals about 2,000,000 baarels.

### Hupeh-Hunan Long-Distance Phone Service Formally Opened

Tests having proved satisfactory, the long-distance telephone service between Hankow and Chengteh, Yuanling and Liuyang in Hunan was formally inaugurated Jan. 15.

### Ship-Building Materials to Be Exempted from Import Duties

The Executive Yuan has approved the petition of the Ministry of Navy requesting that ship building materials for use in the Chinese shipyards be exempted from import duties. Those for use in foreign-owned docks in China, however, will still be taxed.

### Good Market for Chinese Silk in Indo-China

The price of Chinese raw silk has been soaring recently in French Indo-China as the result of a good market there, according to a report received from the Chinese Consulate in Hanoi. Both the Reconstruction Department of the Kwangtung Provincial Government and the Foreign Trade Bureau, have been instructed by the Ministry of Industry to investigate the export of raw silk into French Indo-China in order further to boost the trade.

### Silk Filatures Close for Lack of Raw Material

Shanghai silk filatures have closed down in recent weeks. Only 15 are now operating. In Wusih, only 35 filatures are working, and in Chekiang province only 20. With the advent of the Chinese New Year, more plants are expected to close down.

### Chinese Wool Prices Reach New Record High

Sharp increases in the prices of Chinese wool have been observed lately. The price of Shantung wool has risen to $105 per tan, Szechwan wool to $108 and Wuchow (Chekiang) wool to $100, as compared with an average of $60 per *tan* in 1935. This abrupt rise is attributed to the heavy demand by German, French and Italian buyers.

### Plans for Improving Canton-Hankow Railroad Worked Out

New plans for improving the Canton-Hankow Railway have been worked out by the railway authorities. The plans call in particular for the inauguration of an express service, the acceleration of train services, the building of new stations, cold storages, and godowns, the improvement of the ferry service, the completion of the Whampoa extension, and the training of personnel. For the inauguration of an express service the railway authorities have ordered new rolling stock from England which is expected to arrive in China next February. After necessary preparations, express trains will be run daily from both terminals, beginning either next March or next April.

### Lunghai Railway Sustains Losses Amounting to $10,000,000

Since the Sian revolt on December 12, the Lunghai Railway has sustained a loss of $10,000,000, according to the administration. A number of steel bridges and valuable rolling stock were destroyed during the early part of the Shensi trouble.

### Building of Chengtu-Chungking Railway to Commence Next Month

Construction of the Chengtu-Chungking Railway will be started on February 1, according to the Chuan Chien Railway Company, organized recently to build and operate the line. The company, capitalized at $20,000,000, has a Board of Directors of 19 persons with Tsong Yang-pu as chairman and concurrently general manager of the company. It may be recalled that the company concluded a loan agreement with French financial interests for 34,500,000. francs to purchase the necessary materials for the line.

### Ministry Tightens Control Over Free Rail Tickets

The Chinese Ministry of Railway has taken steps to check the misuse of privileged tickets by members of the staffs of all Government railways. Beginning from January 1st this year, such privileged tickets may be used by either the staff member concerned himself, of his immediate relatives, including only the grand-parents, parents, wife and children. Each member is entitled to not more than 16 such tickets a year.

## U.S. Strike Injures Chinese-American Trade

The U.S. Department of Commerce, in its report on conditions prevailing in foreign nations, stated Jan. 12 that the maritime strike on the Pacific Coast had seriously hampered Chinese exports to the United States. China fears, the report said, that she will permanently lose her markets in the U.S. The outstanding development in China in 1936, the report asserted, were the general economic improvement of the nation and the improvement of communications.

## China Bureau of Foreign Trade Issues Report for First Half of 1936

The Bureau of Foreign Trade of the Ministry of Industry has issued the mid-year report covering the first half year of 1936 of China's Foreign Trade, which has been compiled by P. W. Kuo Director of the Bureau.

During this period, the volume of exports, in terms of national currency, showed an increase of 28 per cent, while import figures showed a decrease of 15 per cent, as compared with the corresponding period of the previous year. The amount of the excess of imports over exports markedly diminished. Subsequent upon the currency reforms, a decidedly upward trend has been noticeable in China's foreign trade, promising to be a valuable element in building up the foundation of China's national economic reconstruction.

Tung oil and hides, skins and furs were the principal articles of export during the period, and owing to the increased demands from abroad, their prices rose steadily. Exports of many other commodities, though less in quantity than those of the previous year, amounted to a higher monetary value. Although such a fact was partly the result of the effects of the rates of exchange, Mr. Kuo expressed the opinion that much might be attributed to the improved quality of goods. As to imports, consumption goods, particularly rice and wheat, were the main items during the previous year, but, during the period covered by the report, iron and steel, machinery and vehicles ranked foremost among China's inward trade, indicating the progress of reconstruction work in the country. A shrinkage, however, was seen in almost all imports, particularly those of rice and wheat owing to the good crops in the country the previous year. As the result of the decline in imports and the increase in exports, the adverse balance of trade diminished considerably in amount.

The Report covers a review of economic conditions, both abroad and domestic. Details are given of the principal commodities of import and export, including a discussion of market

conditions in such leading commodities as raw silk, tea, cotton, cotton yarn, rice, wheat, tung oil, leather, hides and furs, eggs and egg products.

The Report includes the following table of China's trade with the United States.

CHINA'S IMPORTS FROM THE UNITED STATES, JANUARY-JUNE, 1936

| | Quantity | Value (G.U.) | Value for 1935 Corresponding Period (G.U.) |
|---|---|---|---|
| Raw Cotton | 83,179* | 3,593,205 | 9,555,432 |
| Kerosene | 32,788,810† | 1,669,103 | 6,976,869 |
| Gasolene | 23,419,808† | 1,429,944 | 3,090,229 |
| Leaf Tobacco | 3,610,297†† | 2,230,678 | 2,108,607 |
| Wheat | 1* | 12 | 196,310 |
| Flour | 21,040* | 148,508 | 874,800 |
| Iron and Steel | — | 2,769,920 | 3,086,731 |
| Machinery | — | 1,719,929 | 3,553,355 |
| Paper | — | 803,456 | 2,336,493 |
| Dyes and Pigments | — | 1,407,227 | 2,028,939 |
| Timber | — | 1,712,000 | 5,412,233 |
| Vehicles | — | 2,384,656 | 3,483,886 |
| Metal Products | — | 2,755,309 | 2,288,453 |
| Chemical Products and Pharmaceuticals | — | 1,019,157 | 1,105,724 |
| Liquid Fuel | 46,450** | 1,122,624 | 1,667,336 |
| Lubricating Oil | 21,325,724† | 1,397,112 | 1,543,811 |

CHINA'S EXPORTS TO THE UNITED STATES, JANUARY-JUNE, 1936

| | Quantity | Value ($) | Value for 1935 Corresponding Period ($) |
|---|---|---|---|
| Wood Oil | 387,983* | 30,432,092 | 13,102,648 |
| Bristles | 9,112* | 5,548,827 | 2,290,781 |
| Tea | — | 496,319 | 828,708 |
| Hides and Skins | — | 16,459,404 | 8,063,783 |
| Eggs and Egg Products | — | 1,607,899 | 2,336,614 |
| Groundnuts | 2,992* | 55,049 | 55,220 |
| Raw Cotton (Incl. Waste Cotton) | 74,352* | 3,560,547 | 883,191 |
| Raw Silk | 887,651†† | 4,531,744 | 1,700,337 |
| Wool | — | 4,890,640 | 5,678,119 |
| Thread Works | — | 223,600 | 3,256,134 |
| Intestines | 2,867* | 1,202,089 | 1,780,188 |
| Groundnut Oil | 195,563 | 6,900,867 | 3,825,525 |
| Sesamum-seed | 312,457* | 5,431,630 | 6,754,004 |
| Embroideries and Laces | — | 6,219,784 | 2,736,038 |
| Rugs and Carpets | — | 804,056 | 712,074 |

*Quintals **Metric Tons.
†Litres. ††Kilograms.

## Mongolia Protests Manchukuo Advance in Lake Buyer Nor Regon

Outer Mongolia Jan. 17 protested to the Government of Manchukuo regarding alleged advances into Mongolian territory. This protest demanded the immediate recall of the invaders. Manchukuo, the Outer Mongolian government asserted, "must assume full responsibility for all complications" unless the demands are met. The protest said that the frontier authorities reported that on January 12 Manchukuoan cavalry advanced 40 kilometres in the region of Lake Buyer Nor, and on the thirteenth ten trucks carrying 200 infantrymen entered the territory, while at the same time a Japanese aeroplane was sighted 70 kilometres inside of Mongolia.

### Outer Mongolia Said Building Roads for Self-Defense

In collaboration with Soviet Russia, the Outer Mongolian authorities are expediting construction of roads in order to prevent a possible invasion by a "certain country," according to information received in Nanking this week. A network of highways, built in Outer Mongolia by laborers drafted from among the local inhabitants between 18 and 45 years of age, it is said, will be completed within a period of two years.

### Soviets Build Huge Ice Breaker for Great Northern Sea Route

Advices from Leningrad state that the building of the icebreaker "Joseph Stalin" is to be completed at the beginning of 1937 by the shipbuilding works named after Ordjonikidze. The hull and all the five decks of the central part of the icebreaker are ready. The upper deck will have a platform for several airplanes. At present, the cast-iron extremities of the ship are being manufactured: the 21-ton stem and the 32 ton stern-post. The durability of these parts will enable the icebreaker to negotiate heavy Arctic ice. In the forthcoming Arctic navigation season this icebreaker will lead the steamers along the Great Northern Sea Route.

## Huitung Line to Use Douglases on New Routes

Airlines extending from Tientsin to Harbin in the north and from Tientsin to Tokyo in the east will be opened by the Huiting Air Transportation Company, a Sino-Japanese firm, as soon as a number of Douglas airliners are procured, a *Domei* despatch from Tientsin Jan. 19 stated. The Tientsin-Tokyo route will be by way of Dairen, while the line of Harbin will operate along the route

# In the United States Court for China

AGNIA JOULINA RIVERA, Plaintiff,
vs.
JOSEPH FRANK RIVERA, Defendant.

Cause No. 4162
Civil No. 2041
ORDER
Filed at Shanghai, China, January 19, 1937.
William T. Collins, Clerk
L. T. Kenake, Asst. clerk.

**The object of this suit is an action for divorce**

**WHEREAS, plaintiff herein, by her attorneys, has this 18th day of January, 1937, made application for the substitution of publication for personal service upon the defendant herein; and**

**WHEREAS, it appears from the files in this case that on the 19th day of January, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and**

**WHEREAS, it appears from the files in this case that on the 18th day of January, 1937, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since the last two years, and that defendant's last known address was care Navy Department, Washington, D. C.**

**NOW, THEREFORE, it is this 19th day of January, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.**

**IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 6th day of February, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.**

**BY THE COURT:**

**Dated at Shanghai, China,**

**this 19th day of January, 1937.**

**MILTON J. HELMICK**
***Judge.***


# FOR SALE

A subscriber, residing in Nanking, would like to dispose of back-issues of THE CHINA WEEKLY REVIEW, from Vol. 5 to Vol 30 (June 1, 1918 to November 29, 1924) and Vol. 42 to Vol. 66 (September 3, 1927 to November 30, 1933). Librarians or others interested, please communicate with the Subscription Department, mentioning this advertisement.

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now being developed by the Manchukuo Air Transport Company. Forty pilots, of both Japanese and Chinese Nationalities, will be trained by the company to fly the Douglas machinese which have already been ordered.

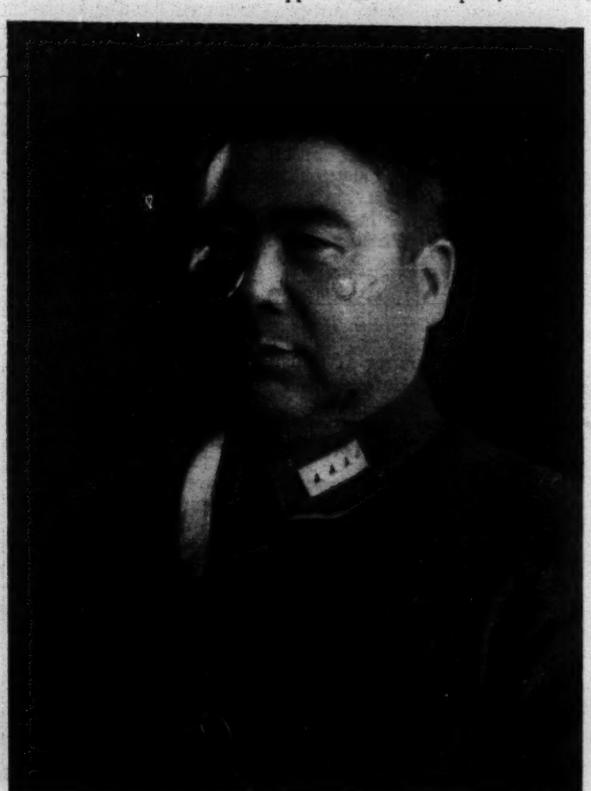
**Strategic Railway Finished in Manchuria**

Built to carry settlers and troops to the fertile and strategically important area along Manchukuo's eastern border, the Tumen-Chamussu railway was opened to traffic Jan. 15, with the completion of the 135-kilometer link between Poli (in Kirin province) and Chamussu. Tumen lies just west of Vladivostok and Chamussu is on the border between Kirin province and Heilungking province. Over this line the Japanese can send troops in an eventual war against Russia in two directions.

# Marshal Feng in Nanking

BY R. Y. LO*

IT was a little over a year ago that Marshal Feng Yu Hsiang came out of the veil of obscurity when he and his family arrived in Nanking and settled down there to live. It will be recalled that after laying down his force of more than 200,000 men in Chahar in the year of 1933 he retired into the isolated but sacred mountain of Taishan in Shantung province. Very little was heard of him. Occasional word came. There was much speculation, no one knew just where he stood and what his attitude was toward the Central Government. His appearance in the capital, however,



**Marshal Feng Yu-hsiang**

cleared the whole cloud, and in view of his whole-hearted support of the Central Government in Nanking, he has again been in the limelight of public discussion and interest. Inasmuch as he has become so well known in foreign countries as the "Christian general," his actual participation in the National Government is also a matter of interest to the people of other lands. Although Marshal Feng no longer commands the magnificent army which one time gave to Peking a feeling of security that it had never known before, yet he is one of the busiest men in the new capital. He is wanted here and there for various forms of service. Aside from his regular duties as vice-chairman of the Military Affairs Council, of which Generalissimo Chiang Kai-shek is chairman, and a member of both the Central Political Council and the Central Executive Committee of Kuomintang, his services have been much solicited as speaker to address student organisations, church institutions, and other popular meetings. Then, too, requests from friends and admirers for drawing and writing claim quite a portion of his time in addition to the many callers he has to receive..

Marshal Feng's home in Nanking is situated in the neighborhood of Dr. Sun Yat Sen's mausoleum, an ideal place for residence. Here the natural scenery is beautiful, and the air refreshing. Indeed, the environment pleases one on every turn when leaves are green and flowers in bloom. It is here that many splendid houses of high government officials are spotted. The house in which Marshal Feng and his family live, however, is not his own property but the property of General Han Fu Chu, chairman of the Shantung Provincial Government and former subordinate of the Marshal. It is well furnished and cleanly kept, and the children in it are just like children of ordinary folks. Like their parents, they are plainly dressed and coarsely fed, but their happy, brilliant, beaming faces give indication of proper nursing and wholesome influence. But, unlike children of the conventional official families, the Feng children attend to themselves without showing in the least that they are children of the official class. At times when guests are home, the Feng children are also asked to serve in place of the servants. Like their parents, they too are free from the habit of drinking, smoking, or gambling. Here, again, is a living illustration of the law of cause and effect and of heredity and environment.

Marshal Feng has been known as a stern disciplinarian, not merely of his army, but chiefly of himself. His is an early riser, getting up daily at 5 a.m. After dressing and washing, he gives definite time for moral cultivation and personal meditation through reading his Christian Bible or the Confucian Codes. Then, he takes physical exercise, indoor or outdoor, dependent upon the turn of the weather, after which he has his breakfast. Following the breakfast, Marshal Feng's morning hours are spent in attending meetings of the Commissions of which he is a member, and his afternoons are given to study and to callers. Marshal Feng is a strong believer in work as a great character-builder. He has no leisure hour to waste. Any free hour he has is given to reading and writing. Something is provided for almost every hour in the day. It is interesting to note how marvellously the Marshal, who began to learn writing only in adult age, has developed the art of Chinese writing, so much so that it would put to shame a good many of us who have had the opportunity of learning writing since our boyhood. It is also surprising to find what a variety of books the Marshal attempts to read, when one goes over the books on his desk or on the shelf. He is constantly kept informed on current events by a group of learned men who know their line of subjects, be it in the field of political science, economy, or foreign affairs. In addition to all these, the Marshal spends quite a portion of his time to learn English. It is his ambition to visit the English-speaking countries, particularly America and England, without the help of an interpreter.

It is through his persistent study and disciplinarian way of living that Marshal Feng has developed both in physique and intelligence to be of such a high calibre that deserves the imitation of both young and old. In physique, he has been described as a man of impressive appearance. Being over six feet tall and powerful in build, he is every inch of a soldier. He is still young in thought and appearance although he is well along in years—fifty-four. In intelligence, it is safe to say that he has outgrown a good many of his contemporary fellow marshals and generals. And in matters of political and religious beliefs, it is not incorrect to say that the Marshal has also grown. Politically, he stands for San Min Chu-I and the Kuomintang platform. Religiously, he stands for personal and social redemption through a regeneration of hearts, but lays greater emphasis on the importance of daily living. In short, Marshal Feng Yu Hsiang has come out of his retirement in Taishan a greater man.

*Dr. R. Y. Lo is a member of the Legislative Yuan. He is a graduate of the University of Michigan, receiving the degree of Ph. D. in 1914. Since his return to China, he has held various positions in welfare and missionary works.*

## Chinese Government Pays $200,000,000 Towards Foreign Debts in 1936

The total payment of China's foreign and domestic loans during 1936 amounted to more than $200,000,000, it was unofficially reported in Nanking Jan. 19.

Those covered by the payments were:

1. Anglo-German Second Loan, Reorganization Loan, and American Wheat Loan, which were met in full from the Customs revenue and from the collection of a flood relief surtax;

2. Crisp Loan, Anglo-French Loan, Hukwang Railway Loan, and Vickers and Marconi Loans, which were met in full from the salt revenue during the past year;

3. Payments on various portions of the Boxer Indemnity which was met in full from the Customs evenue during the year; and

4. Others not duly secured.

In the internal loan service, the government bond market stood firm in 1936 despite the numerous political changes, which fact indicates the success of the Government in maintaining its credit.

In accordance with the terms laid down, a definite sum was paid monthly to the account of the National Loans Sinking Fund Administrative Committee to cover the amortization and the interest charges of the Consolidation and Recovery Loans on the Customs revenue.

## Madame Chiang Kai-shek to Be Given Honorary Degree by Mount Holyoke College

The president and trustees of Mount Holyoke College, Massachusetts, U. S. A. have asked Madame Chiang Kai-shek, wife of the President of the Executive Yuan, by cable to consent to receive an honorary degree. In the message the American college also invited Madame Chiang to attend the centennial celebrations of the institution next May as well as to deliver an address.

Madame Chiang Kai-shek

Mount Holyoke College is one of the most prominent and oldest colleges for women in the United States, and its honorary degrees are conferred only upon those who have won distinctions in public life.

Last October 10, China's National Day, it may be recalled, Madame Chiang was the only woman to receive a military decoration from the Chinese Government. This was awarded for the signal services she has given in connection with aviation work.

Madame Chiang's efforts in promoting the New Life Movement, and in numerous other avenues of social service, were recognized by the conferment upon her of the First Class of the Brilliant Jade on Jan. 1 last. This high honor had previously only been conferred upon men, and only for the most outstanding service to the nation.

## Dr. H. H. Kung Honored by Belgian King With Decoration

Dr. H. H. Kung, Vice-president of the Executive Yuan and Minister of Finance, was honored by the King of the Belgians Jan. 15 when he received the Grand Cross of the Belgian Crown Order. The Order is the highest Belgian decoration, next only to the one reserved for the Chief of State or Government. The ceremony took place at the Belgian Legation on Rue Lafayette, French Concession. Baron J. Delveaux de Fenffe, Charge d'Affaires, presented the decoration to Dr. Kung on behalf of his Majesty.

Dr. H. H. Kung

Expressing his appreciation and thanks, Dr. Kung made a fitting response. A few selected guests were invited to attend the ceremony.

It may be recalled that T. V. Soong, Chairman of the Board of Directors of the Bank of China, was presented with the same decoration by the Belgian King in 1933 when Mr. Soong was the Vice-President of the Executive Yuan and Minister of Finance, and visited Brussels on an official mission.

## China Institute of International Relations Entertains General Chang Chun

Gen. Chang Chun, Minister of Foreign Affairs, who is now visiting in Shanghai, was guest of honor at the board of directors meeting of the China Institute of International Relations in the Park Hotel, Jan. 15. Plans were discussed at the meeting to welcome W. M. Kirkpatrick, special representative of the Export Credits Guarantee Department of the British Government who has recently arrived in China and Dr. Tan Shao-hua, newly appointed Chinese Minister to Mexico, who is leaving shortly for his post.

The Institute is also cooperating with the Pan-Pacific Association to hold a joint reception for Sir Hughe Knatchbull-Hugessen, the British Ambassador to China, sometime in March.

It was also decided to invite Dr. T. T. Li, Y. S. Djang, Dr. Leonard Hsu, Dr. P. W. Kuo, C. C. Ku, Chen Ta, Fang Hsien-ting, Edward Kwong and Dr. Poeliu Dai to contribute to *The China Quarterly*, the official publication of the Institute.

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**The National City Bank of New York, Rates of Exchange**

Shanghai, Jan. 20, 1937

| | |
|---|---|
| Demand selling rate on America : | U.S. $1.00=Sh. $ 3.36 |
| Demand buying rate on America : | U.S. $1.00=Sh. $ 3.34 |
| Demand selling rate on London : | £1.0.0=Sh. $16.51 |
| Demand buying rate on London : | £1.0.0=Sh. $16.37 |

## American Cotton Mission Suggests Japan Restrict Sales in U.S.

Creation of a Japanese-American organ whose main task would be to deal with problems affecting the cotton spinners and textile exporters of the two nations was proposed in Osaka by Jan. 17 by Dr. Claudius T. Murchison, head of the American cotton textile mission now visiting Japan's leading manufacturing city. Addressing leading Osaka producers and exporters, Dr. Murchison proposed that the Japanese interests voluntarily restrict their sales to the United States.

In a previous interview Dr. Murchison stated that although there seems to be a view in Japan favoring adoption of a system of barter between American raw cotton and Japanese cotton textiles, the advisability of adopting a barter system between specified goods, especially those of the same kind, is doubtful; in such a case barter should be applied to all trade articles in general.

Partial agreement of views between the members of the American cotton textile mission now visiting Japan and representatives of leading Nipponese textile interests was indicated by Dr. Murchison.

The Five members of the American cotton textile mission to Japan were the guests at luncheon of the Osaka Rotary Club, Jan. 15.

## Statistics of "Chinese" Imports of Cotton Goods into Manila

*The following statistics covering the import of cotton goods into Manila for September last year, and for the period January to September last year, were pointed in "The Review" last week (page 217), but owing to the omission of the column-heads the meaning was not clear. The figures are, therefore, reprinted herewith: (The figures represent square meters)*

| | *September 1936* | *January to Sept. 1936* |
|---|---|---|
| From Japan (direct and covered in quota) | 2,409,103 | 25,054,414 |
| ,, ,, (via Hongkong with Hongkong labels) | 860,174 | 9,162,365 |
| ,, ,, (via Singapore with Singapore labels) | 9,147 | 9,147 |
| ,, Hongkong (origin unstated) | 574,933 | 5,774,086 |
| ,, Shanghai and other China ports (labeled Chinese manufacture, | 492,129 | 3,851,898 |
| ,, United States | 1,823,293 | 20,540,605 |
| Total imports for period | 5,958,779 | 64,393,515 |

These figures were given to show how the Japanese circumvented a "gentlement's agreement" made with the U.S. in November, 1935, whereby the Japanese cotton dealers consented to restrict their sales to the Philippines to certain yardage over a period of two years. The Japanese got around their quota arrangement by shipping goods to Manila from Chinese ports camouflaged as "Chinese," "Hongkong," "South China," etc.

## Japanese Businessmen May Send Economic Mission to China

Dispatch of an economic mission to China is being considered by leading industrial and commercial organizations in Japan. The move is sponsored by the Japanese-Chinese Businessmen's Association, the Tokyo Chamber of Commerce and Industry and various other public and private bodies.

Members of the mission, *Domei* was informed by sponsors of the move, will be instructed to discuss with Chinese business and official circles ways and means of effecting economic rapprochement between the two nations.

The mission will also reciprocate a visit to Japan of a Chinese economic mission in 1935 led by Wu Ting-chang, at present Minister of Industry. It was originally proposed to return the visit late in 1935, but the intention was dropped because of tension existing at that time in Sino-Japanese relations.

The revelation that the leading economic bodies are considering the dispatch of a mission to China came as a corollary to a speech delivered last week by Toyotaro Yuki, President of the Tokyo Chamber of Commerce and Industry, in which he called for a change in the attitude of Japan and China towards each other to enable them to readjust their mutual relationships.

Speaking for the Chamber, Mr. Yuki urged the Government and the people of Japan to "exercise self-restraint" in dealing with Chinese problems.

"The Chamber believes", he declared, "that time has come to forget past differences and make a new effort to secure economic harmony between the two countries." Speaking to the press, Mr. Yuki reiterated his belief that the time has arrived for a drastic reorientation in Japan's policy towards China, with the future emphasis to be put on economic co-operation. The relations between the two nations, he declared, have come to a stage where the businessmen of the two nations must take a hand in bringing them to a normal and mutually-beneficial track.

## Japan Ahead of Britain in 1936 Textile Exports

Japan's exports of cotton textiles during 1936 totalled 2,707,799,000 sq. yds., or 790,577,000 sq. yds. ahead of Great Britain's exports, the Japan Cotton Manufacturers' Association announced Jan. 16.

The value of the exported Japanese textiles reached Yen 483,487,000, representing a loss of Yen 12,610,000 since the preceding year. The decrease in volume was 17,310,000 sq. yds.

Compared to 1934, however, it showed an increase of 130,535,000 sq. yds. but a loss of Yen 8,864,000.

Classified according to destinations, the respective exports of Japan and Great Britain were as follows:

| | *Japan* | *Britain* | |
|---|---|---|---|
| India | 482,273,000 | 416,382,000 | sq. yds. |
| Dutch East, Indies | 350,421,000 | 27,211,000 | |
| Europe | 94,599,000 | 204,052,000 | ,, |
| South America | 171,322,000 | 238,649,000 | ,, |
| Australia | 81,890,000 | 158,948,000 | ,, |
| China | 119,497,000 | 7,767,000 | ,, |
| Singapore | 48,432,000 | 34,190,000 | ,, |
| Mediterranean Countries | 258,659,000 | 112,598,000 | ,, |
| Africa | 280,741,000 | 368,530,000 | ,, |
| Others | 819,965,000 | 348,895,000 | ,, |

## Philippine High Commissioner's Report Shows Advance of Japanese Cotton Goods

President Roosevelt Jan. 11 submitted to Congress the final report of Frank Murphy as United States High Commissioner for the Philippines.

Business and employment in the Islands, Mr. Murphy reported, were only slightly affected by the depression. Mr. Murphy outlined the developments of his term in the Islands, leading with the Commonwealth elections, principal legislation and trade figures. Reporting on the sugar program, he said that the expenditure of the Philippines administration on this program was $603,460, of which the United States paid $454,507.

The retiring Commissioner pointed out that the Philippines' use of American cotton goods was 38 per cent. for the first six months of 1936 and 35 per cent. for the second six months, as against 72 per cent in 1932. The American cotton goods trade, however, should benefit substantially, Mr. Murphy asserted, as a result of the "gentlemen's agreement" with Japan, even if it fails to gain by the full measure of the amount of trade which Japan gives up.

### Japanese Rayon Textile Exports Reach Record High

Setting a new high record, Japan's exports of rayon textiles last month reached 56,548,000 sq. yds., representing a gain of 15,849,000 sq. yds. over the preceding month, the Rayon Textile Association announced in Osaka Jan. 15. The year-end demand was given as the main reason for the increased foreign sales.

## Ricksha Puller Confesses Murder of Mrs. Susan Waddel Hsu in Nanking

Liu Yung-hsing, a ricsha puller, confessed to the murdre of Mrs. Susan Waddel Hsu, who was found dead at the foot of Pei Chih Hill in the northeast side of Nanking on the morning of Oct. 15, 1935, during questionings at the Nanking Gendarmes Headquarters this week. He has in the meantime been handed over to the Nanking Garrison Headquarters for a final trial and punishment. Besides the murder of Mrs. Hsu, Liu was also found to be involved in two other criminal cases.

Mrs. Susan Waddel Hsu, an American by birth, wife of Hsu Shih-chu, technician of the National Health Administration was found dead early in the morning of Oct. 15, 1935, besides the Nanking Municipal Railway track at the foot of Pei Chih Hill. Her handbag, watch and a ring were missing. An autopsy indicated that she was strangled to death as there was a bruise on the left nape of her neck.

The Nanking gendarme authorities first became suspicious of Liu, who had a bad record, when they found he was mysteriously missing. Usually he was penniless and could hardly earn enough to live upon but on the night of the murder he was said to have treated his friends to dinner at a restaurant at Peimenchiao and taken a bath at a bath house. While at the bathhouse, he placed at the counter for temporary custody about $100. He was eventually arrested at Heitaichi, Kiangsu, last October. A ring which he said he had pawned to a friend was recovered and identified as that of the late Mrs. Hsu.

# Who's Who in China

Wah-yat Yeung, Government official; born at Chui-Hang Village, Chung-Shan District, Kwangtung, 1901; studied at Lingnan University from which he graduated with B. A. degree in 1926; after graduation, he served as a lecturer in the University for a year; he went to the United States where he studied at the Graduate School of Economics of Leland Standford Jr. University, receiving his M. A. degree in 1928; then he attended the Graduate School of the University of California as a Scholar; following his return to China, he was appointed private secretary to Sun Fo, then Minister of Railways, 1928-29; served as Traffic Manager of the Canton-Kwoloon Railway, 1929-31; later, he was appointed resident comptroller of Accounts and Audits for Canton-Hankow Railway, Canton-Kwoloon Railway and Chuchow-Shuichow Construction Line 1931-33 and was concurrently lecturer at the School of Business Administration of Lingnan University; in the latter part of 1933 he was appointed senior secretary of the National Economic Council which post he held until 1936; Director of the Kwangtung River Conservancy Bureau, since 1936; address: Kwangtung River Conservancy Bureau, Canton, Kwangtung.

楊華日

**Wah-Yat Yeung (Yang Hua-jih)**

楊華日，廣東中山縣翠亨鄉人，年三十五歲，歷在廣州嶺南大學商科卒業(一九二六)，繼渡美入士丹佛大學經濟系研究院獲碩士學位(一九二八)，並在加省大學研究院爲研究員，歷任前鐵道部長孫科隨從秘書(一九二八至二九)，廣九鐵路車務處長(一九二九至三一)，鐵道部特派粵漢南段株韶廣九三路駐路總稽核(一九三一至一九三三)，全國經濟委員會簡任秘書(一九三三至一九三六)，嶺南大學商學院教授(一九二六至二七又一九三一至三三)，現任廣東省水利局長。

## Father Fealy Flies to Manila from Washington —Will Come to China

Father Ignatius Fealy is making the trip from the U.S. to the Eucharist Congress at Manila on the *Hawaii Clipper* which departed from San Francisco Jan. 14. Father Fealy was the first paying passenger to fly the entire distance from Washington to Manila. He is on three months' leave of absence from the Baltimore archdiocese, and will continue his journey to China at the conclusion of the Eucharistic Congress.

## Rejected Films Not to Pay Duty

It is reported that the Ministry of Finance has acceded to the request of the United States Department of Commerce for the refund of Customs duties to American film importers for films rejected by the Central Board of Film Censors. The decision of the Ministry, it is learned, will be made as soon as the approval of the Central Publicity Department is secured.


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# Men and Events

Dr. Y. C. Hoe, member of the faculty of Lingnan University, Canton, is visiting in Shanghai.

Air mails forwarded from Shanghai via Canton-Hanoi and Hanoi-Marseilles lines on Jan. 7 duly arrived at Paris on Jan. 17.

An application was granted in the French Consular Court in Shanghai this week for the liquidation of the establishment known as Marcel's in Nanking Road. The proprietor is L. R. Hossenlopp.

China's first public veterinary hospital was opened in Nanking by the National Agricultural Research Bureau Jan. 19. It is equipped with the most up-to-date medical apparatus.

Mrs. Agnes Dittman has resigned her position as Manageress of Broadway Mansions to accept the position of a buyer for the Associated Merchandising Companies of New York City.

The American Women's Club of Shanghai has issued its Calendar for 1936-1937 (its 39th year). The American Women's Club Rooms are at 577 Bubbling Well Road. The Club colors are blue and gold.

Judge Milton J. Helmick Jan. 15 admitted District Attorney Leighton Shields to the American Bar on motion of C. S. Franklin. Mr. Franklin is the president of the local Board of Examiners.

Legal arrangements for the divorce between Miss Hu Mu-lan, daughter of the late Hu Han-min, from Lin Han-lun, have been completed and were formally announced through her lawyer in Canton Jan. 15.

Otto Wolff, leading industrial magnate of Germany, is now visiting in China investigating the market for railway equipment. Mr. Wolff's company is a leading manufacturer of locomotives and other railway equipment.

Dr. Pan Chi, Public Health Commissioner for Kiangsi, has been granted six-months leave, during which he will make an investigation tour to Europe and the United States to study the latest trends in public health work.

Dr. Shinzo Shinjyo, President of the Shanghai Science Institute, visited Foochow this week to make initial preparations for the observation of the solar eclipse in 1941. He will later proceed to Formosa.

Fifteen students believed to be Communists were arrested on Jan. 7 at the Hopu Middle School in Pakhoi. Large quantities of literature regarding the "united front" were seized by the authorities in the school premises.

Mrs. Betty Keen, who has been engaged in newspaper work in Shanghai for several years, her latest connection being the *United Press*, departed last week for her home in California. She traveled by way of Siberia and Europe.

The Executive Yuan has decided to appropriate $720,000 this year for the repair of 17 historic landmarks and buildings in the country, including the Confucian Temple at Chufu, Shantung, and the Piyunssu and Jade Fountan in Peiping.

The *London Times* of Dec. 11 announced the marriage on the previous day of C. M. McDonald, Peiping correspondent of said newspaper, and Miss P. M. Allum, of Mill Hill, London. The couple departed for Italy on a wedding trip.

According to well-informed circles in Nanking Dr. C. T. Wang, Chinese Ambassador-Designate to America, will leave for Washington after the conclusion of the Third Plenary Session of the Kuomintang in the latter part of February.

The examination of the will be the late George E. Tucker took place in the U.S. Court for China before Judge Milton J. Helmick Jan. 18. Formal evidence was given that the late Mr. Tucker was mentally sound at the time of executing the will.

Sir Hughe Knatchbull-Hugessen, British Ambassador to China, has donated fifty dollars to the Peiping City Government for the relief of merchants affected by the disastrous fire which completely destroyed the Hsitan Market in Peiping last Sunday morning.

Dr. W. Schermerhorn, noted Netherlands surveying expert and advisor to the Netherlands Government on water conservancy, who arrived in China recently from Europe, called on Chin Fen, Secretary-General of the National Economic Council, in Nanking Jan. 19 to confer with the latter on surveying problems in China.

In an action brought by H. C. Tong against Lansing Hoyt, argument on a demurrer took place before Judge Helmick in the U.S. Court for China this week. The complaint was filed against the defendant as the result of an entanglement which followed the mortgaging of a steel pontoon, in Chungking. Two mortgages were taken on the same property, and the plaintiff filed the suit on the grounds that he was defrauded of his just dues.

One of the results of the civil war in Spain is that for all practical purposes the Spanish Consulate General in Shanghai is closed. The Consul-General, Signor Eduardo Vazquez Ferrer, resigned his post several months ago, and was followed a few weeks later by the Vice-Consul, Signor J. de Larracoechea. The only member of the staff who did not resign was the Chancellor, Signor V. Vizenzinovich. He is now ill, however, and unable to carry on with his few remaining duties.

Sir Andrew Caldecott, Governor of Hongkong, has been transferred by the British Government, as governor of Ceylon. He will be succeeded by Geoffry Alexander Stafford Northcote, Governor of British Guiana.

S. Yamamoto, prominent Japanees writer and editor of the *Kaizo* Monthly, arrived in Nanking this week. Interviewed by Chinese press representatives, Mr. Yamamoto said he had come to China, among other things, with a view to ascertaining whether measures can be found for remedying the unfortunate relations between China and Japan.

The Far Eastern Meteorological Conference was formally opened in Hongkong, Jan. 13. Sir Andrew Caldcott, Governor of Hongkong, presided over the opening ceremony, which was attended by more than 20 delegates; Dr. Chu Ke-chen, Director of the Institute of Meteorology under the Academia Sinica, is the official delegate for China.

T. L. Soong, Finance Commissioner of Kwangtung Province, who has been ill for some time, returned to Shanghai end of last week from Canton on board the private airplane of General Yu Han-mou, Pacification Commissioner of the Province. Mr. Soong was conveyed to the Country Hospital immediately after his arrival. Mr. Soong's condition is not considered serious.

As a result of an the accident in the morning of Jan. 14 off Tuantao (near Tsingtao) in which a Japanese fishing vessel rammed a Chinese mercantile ship, the Tsingtao Municipal Government has filed a protest with the Japanese authorities. At the time of the collision, the Chinese vessel was loaded with 1,000 cases of petroleum and five tons of coal.

Fifty-four districts in Kansu are in the grip of a serious famine as a result of the depredations of communist-bandits, who fled to the province from Shensi and Szechwan last fall, according to information obtained from two special representatives of Kansu who recently arrived in Nanking to request the Central authorities to extend immediate relief to the Kansu populace.

The National Government will send Dr. H. H. Kung, Minister of Finance, and Gen. Wu Teh-chen, Mayor of Shanghai, to England, where, with Quo Tai-chi, Chinese Ambassador to the Court of St. James, they will represent China at the coronation of the British King, George VI, in May. Dr. Kung and Mayor Wu are expected to leave China for England in the middle of next month.

As a result of the purity campaign launched by Mayor Ma Chao-chun, a ban on public dancing came into force in Nanking Jan. 14. In a press interview Mayor Ma declared that the Municipal authorities were determined to continue the prohibition in the capital. The Mayor admitted that there are several thousand women of ill-fame in Nanking, adding that they will be rounded up and placed in reformatories where they will be given special training.

A party of Japanese newspapermen from Formosa, touring Kwangtung, arrived in Swatow on Jan. 11 and took pictures of the Chinese barracks. When the discovery was made by the Chinese military authorities, the pictures, together with notes taken by the visitors, were confiscated. The Japanese Consul-General in Swatow is reported to have protested verbally to the Chinese authorities against the action of the Chinese military authorities.

A reception in honor of the various foreign correspondents at the Capital was given Jan. 18 by the Central Party Publicity Department at the Metropolitan Hotel. Among those invited were the representatives of the *Trans-asean* News Service, the *Associated Press*, *Reuter's*, *Havas*, and the *United Press*. Feng Chih, Acting Director of the Central Party Publicity Department, and Dr. T. T. Li, Director of the Intelligence and Publicity Department of the Ministry of Foreign Affairs, were present to receive the guests.

Advices from San Francisco state that the grandchildren of the late John D. Spreckels, sugar magnate, found themselves richer by $1,000,000 each, Jan. 12, as the result of the termination of the trusteeship under which their shares of the estate had previously been administered. Miss Geraldine Spreckels, A. B. Spreckels Elizalde, wife to a prominent Manila sportsman, and John D. Spreckels III, of San Francisco, will divide $4,500,000 left them by their grandfather. A court action completed distribution of the $18,000,000 estate, of which the Spreckels children shared the remainder. It is believed that the inheritance may include the Calamba Sugar estate and other properties in the Philippines.

J. T. Holt will leave Shanghai on Feb. 25 aboard the *s. s. Empress of Japan* to make a special study into the motion picture industry in America and Europe on behalf of the Ministry of Industry. Mr. Holt, who has been in the motion picture business in China for 18 years and who can be considered one of the "veterans" in the field, will try to interest the foreign producers who are planning to make a picture with a Chinese background in the future to submit their scripts and scenarios to the Chinese Government for approval. He expressed the belief that if such an arrangemnet could be made it would avoid much of the misunderstanding which has come up in the past as a result of parts of pictures which are considered "insulting" to the Chinese and which have been subsequently banned by the Central authorities.

The production of "Good Earth," adapted from the well known novel written by Pearl Buck, by the Metro-Goldwyn-Mayers is nearing completion and the film will make its first appearance in the United States after a permit has been obtained by the Chinese Government, a message received by the Central Film Censor Board from Huang Chao-chin, Chinese Consul-General in San Francisco, this week stated.

Failure of the Soviet authorities to provide mail cars and postal clerks for the two trans-Siberian through trains, which arrived at Manchuli on Jan. 14 and Jan. 16, caused Europe-bound mail to pile up at the border station, for several days this week. The Soviets explained that the move was one of retaliation for Mistreatment tby the Japanese-Manchukuo forces of their employees. They later sent extra cars to clean np the accumulation.

The Chinese delegation to the Conference on Traffic in Women and Children in the Far East, scheduled to open at Bandoeng on Feb. 2, departed from Shanghai Jan. 19 for Java aboard the *Tjisaroa*. Hsiung Hsi-ling, former Premier of China of the Peking Government and now President of the Red Swastika Association in China, headed the party which included Madame Hsiung, H. C. Chen, Chinese Education Officer of the Shanghai Municipal Council, and Miss Kwang Jui-wu, principal of the Hsiang Shan Orphanage in Peiping.

American consular officials this week expressed the opinion that the new U. S. Social Security Act (providing for unemployment insurance) will have no bearing upon Americans resident in China because it appears to be designed for administration by the various states, which also put up part of the money in collaboration with the federal government. Consul General Gauss stated that the government annuity plan requires some sort of machinery of enforcement not present here even for income tax; obviously state aid on old age pensions could not apply outside the States.

A 10 per cent dividend amounting to $180,000 was voted at the fourth annual meeting of the shareholders of Central Properites, Ltd., in Shanghai Jan. 19. Chairman Davey expressed the hope that some clarification of the silver clause would be made soon. He also informed the shareholders that the assets of the firm, aside from the indebtedness of $18,000,000 from the Hardoon estate, consist of mortgages amounting to $1,500,000 and $256,496 under the heading investment, representing debentures, the value of which at the end of last year was slightly in excess of cost.

## S.V.C. Report Shows Heavy Decrease of British and American Members

The annual report of the Shanghai Volunteer Corps published this week shows that the only nationalities that increased their representation in the Corps were the Portuguese (18 men), Chinese (21 men) and the Japanese (5 men). The British members decreased by 55 and the American by 75. The report was issued by Col. F. R. W. Graham, Officer Commanding the Shanghai Volunteer Corps. He stated that he had decided to delay the construction of armored cars. Arrangements, he said, had been made for close support of the Police. As the result of experience gained during the X'mas 1935 student disturbances, special telephone lines separate from the dialing system had been installed and the Detachment has been made 100 per cent mobile with its own trucks. 100 per cent mobility on the part of the Russian Detachment is, in his opinion, essential, for, unless its personnel could before or during internal disturbance be transported to threatened points with the utmost despatch, it would be non-effective.

## Shanghai Population Increases by 264,309 to 3,808,764

Shanghai's population by the end of 1936 totalled 3,808,764. These figures include the population of the three areas, Foreign Settlement, French Concession and the Greater Shanghai Municipality and represent an increase of 264,309 when compared with the previous years. Of the total population, 67,814 were foreigners, an increase of 12,444 compared with 1935. Of these, 18,899 lived in the French Concession and 38,915 in the International Settlement. The balance are residents of the areas under the jurisdiction of the City Government of Greater Shanghai. Shanghai is thus the sixth largest city in the world.


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# New Books of Interest in the Far East

## Journalist Records Experiences in Fascist Italy

*Hail Caesar! By David Darrah. Boston and New York: Hale, Cushman and Flint.*

This interesting record of experiences in Italy was written by David Darrah, formerly Rome correspondent for the *Chicago Tribune*. Mr. Darrah had an unrivalled opportunity not only to obtain first-hand knowledge of the country and the people, but also to observe in intimate detail the workings of government in Mussoliniland.

After a career of some years in Europe as a newspaperman, Mr. Darrah was sent by the *Tribune* to Italy. When he went to Rome, he did so with the naive conviction that he could be a disinterested spectator of the scene. His aim was to give the American reading public, insofar as possible, an accurate picture of events regardless of the light in which Fascism appeared. "I was not long in discovering that what I thought to do was not only impossible but illegal."

A rigorous hidden censorship existed, as Mr. Darrah soon discovered. Cables which contained information disliked by the Fascist authorities arrived in Chicago too late to be printed, or in a mangled state. Protests to the cable company gained nothing but apologies. That the messages had been censored was hotly denied, although the existence of censorship was apparent to all. Mail was tampered with. Eventually Mr. Darrah resorted to telephoning his messages out, but at times it took hours to obtain a connection with Paris or London. On several occasions his office was broken into and his papers scattered about. This was not the work of thieves, Mr. Darrah believes, but of the OVRA, Mussolini's secret police.

In spite of difficult working conditions he was able to record a good deal of what was happening. The most interesting phenomenon to the world outside was and is the character and personality of Mussolini and the effect of his program on Italy and Italians. The author was never able to arrange a private interview with Il Duce; it was indicated that Mr. Darrah's attitude displeased him. But he had numerous opportunities to study Mussolini at close range, when he addressed gatherings of people, when he granted press conferences and at diplomatic sessions. Mussolini stalks through the pages, Italian and yet alien to Italy, alien in his insistence on speed, efficiency and regimentation. For better or worse, his personality has impressed itself on the country.

Mussolini's personal ascendancy both in Fascist councils and throughout the country is illustrated by the failure of any other member of the Fascist Party to retain any measure of popularity or position which might in the slightest degree constitute a threat to Mussolini's position as Dictator. "In order that he may be great all other Italians must be small." Italo Balbo, formerly Minister of Aviation, attracted world-wide attention and gained immense popularity at home by his mass flights to the United States and South America. He is now in Africa as Governor of Libia. Other Fascists suffered a similar fate; some are held on various "*confino*" islands.

One of the highlights of the book is the account of the first meeting between Hitler and Mussolini in Venice. Il Duce made great attempts to impress the visitor from Germany. Hitler, looking impassive and slightly bewildered, was rushed by an exhubetant Mussolini from one entertainment to another. But it was obvious, said Mr. Darrah, they did not like each other. The comedy was played to its end. Two week after Hitler returned to Germany came the Nazi "blood purge;" six weeks later Mussolini sent his troops to Brenner Pass to warn Hitler to keep out of Austria following the murder of Dolfuss.

For years it was known that Mussolini was preparing for war, Mr. Darrah declared. The only question was with whom. Italy's economic situation grew steadily worse during the depression. "It became evident that under a dictatorship with its heavy burden of expenses the country would never gain the prosperity it sought." Discontent was especially manifest in the industrial North, which at best had never more than tolerated Fascism. Inevitably an external diversion was called for.

Early in 1934 rumor had it that the foe would be Ethiopia. In January of that year Laval visited Rome. "A new understanding was reached between Italy and France, and, although it was never admitted, I am convinced that Laval gave Mussolini a free hand to go ahead with his projected campaign against Ethiopia one Sunday night during a great reception at the French Embassy . . . Laval and Mussolini had been closeted alone for more than an hour and when they finally emerged from the side Salon, Laval had a sardonic half smile on one side of his face and Mussolini stroked his chin in an effort to conceal a broad grin of satisfaction."

The clever publicity campaign developed. Incidents, so-called, were reported in the Italian press with alarming regularity. "The idea of the Negus at the gates of Rome had to be stressed." But the war was unpopular among Italians except with some sections of the war-frenzied youth. The author was struck by the sombreness of the troops and the undemonstrativeness of the populace toward their departure, whereas the Italian press gave its readers to believe that the country was behind the adventure in Africa.

Mr. Darrah requested permission to go to Africa with the troops. This was denied, and instead he was expelled from Italy without the customary notice.

Mr. Darrah's book is a contribution toward understanding Mussolini's Italy and the workings of a dictatorship. It gives a fairly complete background of events. The author will be accused of a prejudice against Fascism; he cannot be accused of a prejudice against Italy. On the whole, his veracity can be relied upon. His tale of happenings behind the surface of events sounds logical and has been verified in part by others. When seen through Mr. Darrah's eyes, recent occurrences in Italy and the character of Mussolini take on an air of reality that no amount of ordinary news reports can give.

The author's style is plain and straightforward; he writes well. His book is very readable and possesses a definite charm not often found in books dealing primarily with political matters. This is due, in part, to the fact that it is a record of personal experiences. Also Mr. Darrah does not fail to leave a definite and pleasant impression of the land and its people.

D. D.

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## The Inside Story of Nazi Propaganda

*The Brown Network: The Activities of the Nazis in Foreign Countries. New York: Knight Publications. 309 Pages. U.S.$3.00.*

Members of the German General Staff are reported to have declared recently that the military machine of the Third Reich will be fully ready for war in 1938. That the propaganda-espionage machine of Nazi Deutschland will also be ready next year for the presumably inevitable conflict can be pretty irrefutably deduced from "The Brown Network," which portrays the world-wide activities of a vast and ruthless brotherhood devoted to the cause of paving the way for Nazi expansion and undermining and weakening the future enemies of Germany abroad.

This volume was written by the anonymous author of "The Brown Book of the Hitler Terror." The Earl of Listowel, who writes an introduction, describes it as the result of two years of hard and dangerous work, during which thousands of documents and masses of incriminating material were carefully inspected, the directing centers of foreign activity within Germany discovered, financial sources traced and the machinations of foreign organizations observed. The fact-gatherers were thus clearly a numerous and widely-distributed group of anti Nazi workers, and one might presume that their inevitable bias would make the book unreliable. It is, indeed, difficult to verify many of the allegations, but many, many others are reinforced by photostatic copies of letters and documents, by reproductions of propaganda materials and by extensive quotations from Nazi sources. Consequently one finds much of the contents incontrovertible and a convincing warning of what's to be expected of Nazi Germany in the next few years.

The set-up within Germany for directing the world propaganda espionage machine is extensively dealt within in the early chapters, and the organization, methods and leaders of the famed Gestapo are exposed. Nicolai, Himmler, Goering, Heydrich are portrayed, and we are told that in March, 1935, 2,450 paid Gestapo agents were at work abroad, having at their disposal a network of some 20,000 informers. Working in collaboration with the espionage and terrorism of the Gestapo is Dr. Joseph Goebbels in the field of propaganda. German propaganda experts are said to have given exhaustive study to each foreign country and to have worked out a long-time policy for each state and people designed to win sympathizers for the Nazi cause, confuse the foreign public as to the aims of Germany and sabotage the efforts of anti-Nazi agitators. In its dreams of a brown Mittel Europa, the Nazi dictatorship is committed to the Nazification of Holland, Belgium, Alsace Lorraine, Switzerland, Austria, Scandanavia and the Baltic States. In its *Drang nach Osten*, it is committed to the partition of Czechoslovakia, Poland and the U.S.S.R. To realize these objectives it must befuddle opinion in England, France and America by playing upon liberal, pacifist and pro-German sympathies in order to paralyze all will to resist aggression. With these goals before them, thousands of agents of the Gestapo, Goebbels, Rosenberg and the Reichswehr are engaged in Pan-German and anti-Semitic activities on a world scale. They are well subsidized from Berlin. They operate through German diplomatic and consular posts and German shipping, banking and mercantile agencies. They hide behind a facade of German societies, fascist organizations, anti-Marxist institutes, anti-Communist societies and sundry anti-Semitic and anti-Masonic groups.

Some, remembering the many falsehoods regarding German spy activity during World War days, may say "incredible." "The Brown Network," however, offers sufficient proof to give anyone pause and make its reading an essential for anyone who endeavors to keep abreast of world affairs. It should be of particularly interest in China because of the recent conclusion of the German-Japanese anti-communist agreement. German military men and German civilian advisers are prominently placed in the scheme of Chinese affairs. The development of Chinese nationalism can conceivably take a turn that would make it extremely inimical to Chinese

interests for military secrets and state policies to be intimately known by nationals of a country allied with another already committed to domination over all China and both of whom could be motivated by virtue of their new accord to a program destructive to the Chinese state. The point seems to need no further elaboration.

N. R.

## A German Exile Writes of Verdun

*Education before Verdun, by Arnold Zweig; translated from the German by Eric Sutton. The Viking Press, New York, 1936. 448 pages.*

This is a book torn from the life of a mature and experienced man. His expulsion from Germany, the confiscation of his manuscript, and the subsequent deterioration of his eyesight forced upon him the re-assembling of his material under the most difficult conditions.

And yet he has produced a masterly work, showing the pettiness of man, his willingness to accept the impositions of those in power, together with War's horror and its insatiable demands upon spiritual as well as physical powers. However, beneath the suffering, the numbness of disaster, we glimpse a ray of hope. Thought wakens even the weary now and then, and kindliness and loyalty are found among those hardened by sights and experiences too terrible to endure.

The author has planned a large work entitled "The Great War of the White Peoples." It is to consist of four volumes, and this present one is the second of the series, taking its place between "Young Woman of 1914" and "The Case of Sergeant Grischa." The last volume, "The Crowning of a King," yet to be written, is designed to complete the series.

While this book concerns war it goes below even that weighty problem. Its inner meaning has to do with man as a thinker in his responsibilities toward his fellow man. We can skim over these pages, gathering the novelist's material hastily, but the real effect of the tale will not pass away like that of an ephemeral story. Pages of Zweig will live on in our minds and more than a few will repay careful re-reading. The story is told in terms of individuals. Every one who reads and ponders over its problems will see that the author has probed into the questions underlying man's destiny on earth. The bitterness experienced before Verdun often showed new values. We shall be fortunate if we can benefit from this narrative without enduring such disaster.

Shasi, Hupeh, Jan. 9, 1937 G. B. S.

## Peace, Security, Neutrality, and War Discussed by Experts

*Possible Peace. By W. MacMahon Ball, Senior Lecturer in Political Philosophy in the University of Melbourne. University of Melbourne Press, 1936. 193 pages, appendices, index. 3 Shillings.*

*Neutrality and Collective Security: Lectures on the Harris Foundation 1936. Quincy Wright, Editor. Chicago, University of Chicago Press, 1936. xviii, 277 pages, appendices, index. U.S.$2.50.*

The book "Possible Peace" by Professor Ball would seem to be a direct answer to the plea made by Sir Alfred Zimmern and Dr. Dodd in the University of Chicago lectures that the intellectual leaders will present to "the common man" a real understanding of international problems and offer to him some method of solution. Indeed Professor Ball has tried to do that very thing. His work as a university extension lecturer has brought him in touch with people who wish a simple but accurate background for newspaper reading on international topics. Professor Ball has not conceived his work to be merely descriptive. He has gone beyond descriptive history to supply the very thing asked for by Sir Alfred Zimmern, —" a definition of our problem defined in terms which leaders of democratic temper can explain to the peoples."

These two books present a striking example of the different ways in which material is presented for discussion within a university circle or for the interested laity. The Chicago publication is a record of lectures delivered by diplomats and educators for their own particular group. Theory is dominant and a brief reference to broad trends or historic data is sufficient.

Sir Alfred Zimmern, experienced both in academic and public life has concluded that mankind cannot be educated to world citizenship. He suggests that the security of the world must depend upon the "welfare areas" of the world.

"By welfare areas I mean an area of territory either governed or indirectly controlled and defended by states whose policies are conceived, not in the traditional term of power, but in terms of human welfare—the welfare first of their own inhabitants, of every creed, class, color, or station, and second, of mankind as a whole." Outside the pale he has placed "Berlin, Tokio and Rome." Moscow's position has not yet been settled.

Clearly it would be impolitic for the second speaker, Dr. Dodd, erstwhile Chicago University Professor, to continue in this strain, since he is the present United States Ambassador to Germany. Therefore his address is confined to an historical interpretation of the part played by America in the years leading up to the present economic and social dilemma. His platform of recovery is freer commerce, regulated industry, redistribution of population and abandonment of war.

Each autumn the University of Chicago publishes a volume of the lectures delivered at the annual institute under the Harris


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—*Asia Magazine.*

January, 1937. Vol IV. No. 1.

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Memorial Foundation. The purpose of this foundation is the "promotion of a better understanding of other nations through wisely directed educational effort." The 1936 lectures show a tendency to a generalized and academic attitude which was not apparent in last year's volume on the Soviet Union.

The list of lectures includes: The Problem of Collective Security by Sir Alfred Zimmern, Montagu Burton Professor of International Relations, Oxford University; The Dilemma of Modern Civilization by William Edward Dodd, Ambassador Extraordinary and Plenipotentiary from the United States to Germany; Congress and Neutrality by Charles Warren, Assistant Attorney General of the United States, 1914-18; The United States and Collective Security by Edwin DeWitt Dickinson, Dean of the School of Jurisprudence, University of California. The appendices include documents relating to the League of Nations and the Pact of Paris, 1928, which apply to the Italo-Ethiopian War. It is no coincidence that Professor Ball has also placed the Covenant of the League of Nations in the appendix of his book.

As an introduction to his presentation of the world situation since 1918 Professor Ball sees in the quick increase in armaments an unmistakable symptom of the deepening sense of fear, insecurity and distrust between nations. "The only peace that armaments can produce is the peace that lies in graveyards." International organization through alliances to preserve a balance of power are shown to make international justice impossible.

The sections on British Foreign Policy and Power Politics in the Pacific are particularly interesting in view of the fact that the material is presented by an Australian. The author supports Professor Toynbee's contention that "The British Empire could be broken up any day by a concerted attack from Japan in league with any single continental European power." As a colonial discussing the "vital interests" to be protected by Britain's foreign policy, he says,

> "I do seriously suggest that while Britain's far-flung imperial interests may have been well adapted to the economic and political structure of the nineteenth century, the new conditions of the twentieth century may have made the Empire something of an anachronism . . . If Britain regards herself as the trustee of her colonial territories, she can hardly object to accepting responsibility in an international body."

Professor Ball puts the question confronting the world as either War or Civilization:

> "I have been arguing that whether we regard war as a sanction of 'collective security', or as an instrument for maintaining economic advantages, or as a means of defending our civilization, it is unlikely that in modern conditions it can do any one of these things. I would suggest that the reason why we still have faith in the efficacy of a 'defensive' war is that we think of war as it was fought in the past and not as it will be fought in the future . . . In the next war there will be no non-combatants, or at least, no civilians who can afford to be without gas masks. And the delicate interdependence of the world economy means that the damage which war brings is much greater than in the past. I have been arguing, in a word, that while the scientific inventions of the last twenty years have revolutionized the nature of war, our imaginations have not been able to grasp the implication of this revolution for our economic and spiritual life."

F. M. R.

## China's Pictorial Language

*One Hundred Chinese Picture Words. Compiled by William D. Allen, former editor of "China in Brief." Ideographs done by L. C. Lui, editor of the New York daily, "Chinese Republic News." Published by Universal Publishing Company, 20 Vesey Street, New York. Cloth Bound. 20 pp. U.S.$1.00.*

This pamphlet has been compiled by a lover of Chinese characters in an effort to introduce some of the better qualities of Chinese calligraphy to Americans, particularly artists and art students. One hundred selected picture words are included in the booklet and they might will be studied by the large number of foreigners who have lived in China for years without learning a single character.

The compiler hopes that art students will find in China's picturial language a new bold stroke technique and a vitally rhythmic attitude toward art. Every word, he points out, is an exercise of beautiful expression. Even the four-year-old starts right in learning words, learning units of design and meaning instead of isolated strokes. The American, he says, might follow the tradition of a fixed 1-4 or 1-2 hour daily of character writing.

Admitting that his booklet is only a guide that can never replace a teacher, the compiler advises artists, students and student classes to seek out the "neighborhood chop suey or laundry-man", who, however ill-trained, will be helpful by his enthusiasm and knowledge of handling the brush.

There are notes on the artist's training, China's art philosophy, tools for writing, technical tips, and general information on calligraphy.

The characters are carefully arranged and lucidly explained.

E. H. L.

## A Declaration Against Tyranny

*Give Me Liberty. By Rose Wilder Lane. New York, Longmans, 1936. 62 pages. 50 cents, American currency.*

The test of the strength of American individualism is now being made, says Mrs. Lane, when "half of Europe has definitely turned back from democracy to the old stability in which the multitudes, having no authority, have no responsibility, but leave both the power and the burden to their rulers." Mrs. Lane has given in this small book her Declaration of Independence against fascism, against communism, against any form of tyranny by the state.

She writes as one who has come back to the American ideal from communism. In 1920 Mrs. Lane was a communist, regarding communism as an extension of democracy, one step further on the road to freedom. Then she went to Russia to see the liberation of mankind from economic bondage. "For nineteen years the men who rule that country have toiled prodigiously to create precisely the society we dreamed of; a society in which insecurity, poverty, economic inequality shall be impossible. To that end they have destroyed personal freedom, freedom of movement, of choice of work, freedom of self-expression in ways of life, freedom of speech, freedom of conscience."

The American spirit is essentially the spirit and ideal of the pioneer, writes Mrs. Lane and the development of this spirit is the history of the growth of the United States. It is a unique contribution to the meaning of liberty.

F. M. R.

## Northeastern U. Students Refuse to Allow New President to Assume Post

Tsang Chi-fang, newly appointed president of the Northeastern University who arrived in Peiping early last week, was unable to assume his post owing to strong opposition on part of the faculty and students. Mr. Tsang had received a telegram from the Ministry of Education instructing him to go ahead with his plans to take over the institution and in another wire the Ministry asked Gen. Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council and Gen. Chin Teh-chun, Mayor of Peiping, to assist Mr. Tsang in carrying out his duties.

Prominent leaders of the Northeast in Peiping expressed the opinion that the Northeastern University question be temporarily shelved for future discussion until the Shensi situation has cleared up. For the time being they suggest that a special commission be formed by Northeastern leaders to take temporary control of the school.

The students hold that as the institution was established by Chang Hsueh-liang, nobody except Chang has the right to make any appointment to the school.

### China Spreads Mass Education Via Radio

For the promotion of mass education, no less than 1,758 radio receiving sets were installed during the past year in various schools and educational institutions throughout the country, according to returns announced by the Ministry of Education in Nanking Jan. 19. Another 1,500 sets will be added in the course of the current year.

### Physical Education to Be Compulsory for College Students

The Ministry of Education Jan. 16 issued a set of provisional regulations concerning physical training in universities which require each student to take 15 minutes of exercise every morning and two hours of outdoor sports every week. Physical education classes of two hours per week will be conducted in all four years of the college course.

## U.S. Warships Will in Future Visit Singapore More Frequently

Admiral Harry E. Yarnell, commander-in-chief of the U.S. Asiatic Fleet announced recently that United States warships of the Asiatic fleet would in future pay more frequent visits to Singapore, Great Britain's G.$50,000,000 naval base in the East. These visits, Admiral Yarnell states, "are a symbol of the cordial relations which exist between the United States and the British Empire. I trust that we shall be able to visit Singapore more frequently and that reciprocal visits will be paid by units of the British Fleet to United States ports."

Singapore regards this increased interest by the United States navy in the British naval base as of some political importance, but it was stated by Monnett Davis, the United States consul-general in Singapore, that the U.S. Asiatic fleet's visit was no more than a "good-will call" without any political significance.

The comments in the Singapore newspapers were particularly cordial. The *Straits Times*, for example, said: "Only one development, in our view, can bring the United States into a war west of Hawaii, and that is Japanese interference with her interests in China that will be so crude, open and insulting as to be a challenge to her national honor. The American people in their present mood might respond to an emotional appeal when an economic one would leave them cold. But Japanese diplomacy is unlikely to commit any such blunder."

# Japan Plans to Dominate North China Oil Market

With a view to monopolizing the petroleum market in North China, the Tawa Company, a Japanese concern, has purchased from Russian interests a petroleum storage plant in Tientsin which has a storage capacity of 1,500 tons. In order to evade the high Customs duty imposed on refined oil products, the company is planning to establish an oil refining factory at Tangku. The factory will be completed this month, according to the *Shanghai Nippo* of Jan. 16.

### New Japanese Mill to Open in Tientsin

The Yu Foong Cotton mill, a new Japanese plant in Tientsin, will commence operations on May 1, according to an announcement made in Tientsin Jan. 16. With 1,000 looms and 50,000 spindles, the mill will first recruit 2,000 women laborers to undergo a period of training before the mill opens.

### North China, Manchuria and Mongolia Transportation Company Organized by Japanese

In order to promote smuggling, the Japanese are organizing a North China, Manchuria and Mongolia Transportation Company in Tientsin. The company will operate a number of bus lines, linking Tientsin-Chengteh, Chengteh-Chaoyang, Tientsin-Urga, and Tientsin-Pingtichien. Capitalized at $500,000, the company has bought a fleet of 80 trucks, 40 of which have already been sent to Tientsin from Japan. The company was formally inaugurated this week.

### Tientsin Flour Exchange Opened

The Tientsin Flour Exchange was formally inaugurated Jan. 15 and commenced trading on Jan. 18. With the flour industry in Tientsin gradually picking up, the Chia Jui Flour Mill, which has been suspended for more than one year, will resume operations soon.

### General Sung Cheh-yuan Cancels Extra Levy for Testing Cotton

Faced by strong opposition from cotton producers and traders, Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, Jan. 17 ordered the cancellation of the month-old regulation imposing a charge on each bale of tested Chinese raw cotton. The original decree, issued on Dec. 19, added $1 to the charge levied on each bale of inspected cotton by the Tientsin Bureau for the Examination of Merchandise. The imposition of the new levy resulted in a sharp decrease in the amount of raw cotton presented for examination. Economic circles in Tientsin believe that of the 200,000 bales of cotton in the warehouses in the region, 90,000 have not yet been tested.

### North China Salt Administration Perturbed by Encroachments

Following their forcible occupation of four salt banks at Tangku, "certain quarters" (according to *Central News*) are now erecting wire and poles there. The Changlu Salt Administration has telegraphed the matter to the Ministry of Finance.

Permission has been granted by the Changlu Salt Administration to the Tunghsing Company to undertake the sale of licensed salt in East Hopei areas. The contract now expired was formerly granted to the Yumi Company.

The question of renewing the purchasing contract for Changlu salt remains unsettled. The Japanese purchasers are willing to offer $2.40 for each ton of salt to be exported to Japan, but the salt merchants maintain that the price is too low. The matter is in the hands of the Changlu Salt Administration.

### Japanese Augment Propaganda Work in North China

A so-called North China News Agency has been jointly established by the naval, army and diplomatic officers for the purpose of augmenting Japanese propaganda work. The Agency will devote its work to the collection of materials concerning economic and political activities of the Chinese in the North. Periodicals will also be published by the Agency, the *Sin Wen Pao* says.

### Japanese Plane Flies Over Peiping

Japanese planes continue to fly over North China. A Japanese plane from Tientsin flew over Peiping Jan. 14.

### Walchiaopu Lodges Strong Protest Against Japanese Plane Flights

The Wiachiaopu lodged a strong protest with the Japanese authorities Jan. 19 against the flight of Japanese planes over Chinese territory, citing particular cases during the middle and again during the latter part of last month when Japanese planes took off from Tientsin for Tsingtao via Tsinan, landing on the Tsinan airfield without the permission of the Chinese authorities.

### Special Service Men and "Traitors" Active in Suiyuan

Accompanied by a number of "traitors," a director of the Japanese Special Service Department left Tientsin Jan. 13 for Suiyuan by train. The party will investigate military conditions in Suiyuan Province.

### More Japanese Nationals in North China

The number of Japanese national in Tientsin increased by 3,000, in the past year, according to Japanese reports. At present there are 11,289 Japanese in Tientsin, 368 in Tangku, 1,341 in Tangshan, 341 in Luantung, 4,478 in Peiping, 290 in Tungchow, 134 in Fengtai, seven in Paoting, eight in Shihchiachuan, and 231 in Kupeikow.

### Korean Governor to Send Envoy to Tientsin

It is reported from Tientsin, that a military representative will be sent by the Korean Governor-General to Tientsin next August to supervise the activities of Koreans in China. The action is said to have been necessitated by the increasing number of Koreans coming to China, particularly to the north.

### Chang Tze-chung Heads Huitung Aviation Corporation

Gen. Chang Tze-chung, Mayor of Tientsin assumed his duties Jan. 8 as concurrent chairman of the board of directors of the Huitung Aviation Corporation. It is learned that the Corporation has ordered a gigantic plane to ply one of its passenger routes.

### North China Situation Discussed at Japanese Army Officers' Confab

The resident Japanese military officers from Peiping, Tsingtao, Tsinan, and Suiyuan and high officers of the Japanese Garrison Forces converged at the latter's headquarters Jan. 18 to compare notes on the political situation in the respective cities. Led by Lt.-Gen. K. Tashiro, commander of the Japanese Garrison Forces, the conferees discussed the current North China situation in two sessions, one in the morning and the other in the afternoon. The conference was continued the following day.

At the conference, a report was made on Tokyo's foreign policy and the future policy of the Japanese military authorities in China. A report was also made regarding the Japanese maneuvers in North China as well as troop transfers.

Another report on the general political conditions in North China was submitted, with particular emphasis on the relationship between the East Hopei regime and the Hopei-Chahar Political Council, in addition to a report on the economic development of North China.

In addition to these special reports, military officers from different places reported on the military and political conditions in their respective districts. The following problems were discussed at the conference: (1) Problems arising from the political developments in Shensi; plans for the reorganization of the Hopei regime; plans for the raising of funds to develop North China economically; direction of diplomatic negotiations with the North China authorities; instructions for the military attaches in different districts regarding their activities.

### Japanese Troops in Peiping Stage War Games

Japanese troops stationed in Peiping held maneuvers at Papaoshan and Marco Polo Bridge in west Peiping for several days this week. To avoid possible misunderstanding on the part of the Chinese people, the Hopei-Chahar Political Council sent several of its staff members to accompany the Japanese forces during their war games.

### "Lih Pao" Wants Action on Chengchow Affair

Commenting on the secret Japanese plotting recently discovered in Chengchow, the *Lih Pao*, in an editorial this week, commented:—"From the contents of the secret documents seized by the Chinese authorities in Chengchow, we can see clearly the seriousness of the intrigues of the Japanese and the fact that the Japanese military are directly responsible for these activities. At present, the Chinese attitude toward the matter deserves our attention."

### Reactionary Organization Discovered in Foochow

The Foochow police authorities discovered a secret reactionary organization in said city Jan. 15. Nine persons were arrested when the police staged a surprise raid on the secret office.

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# New Discovery Made Regarding Chengchow Espionage Affair

A new discovery is reported to have been made in connection with the Japanese secret office that was recently unearthed at Chengchow, it being learned that the secret office was the main contact agency between Japanese agents in Honan, Shensi and Kansu provinces.

Continuing their efforts to suppress the secession movement fomented by the three Japanese ronins in Chengchow, the police authorities in said city have caught 13 traitors in Hsinghsiang, north Honan who were planning to create disturbances in that locality. The 16 suspects who were recently arrested in connection with the attempt of "certain quarters" to detach districts in northern Honan from the Central Government, have been turned over to the Pacification Headquarters in Kaifeng.

### Japanese Who Conducted Conspiracy in Chengchow Return to Peiping Safely

The three Japanese ronins, found to have conducted secret activities against the Chinese State in Chengchow, Honan, safely returned to Peiping Jan. 17. The three Japanese were immediately handed over to the Japanese Consulate General, after having been arrested by Chinese Police.

## S.M.R. to Invest Yen 40,000,000 in Manchukuo and North China Affiliates

More than Yen 40,000,000 will be invested this year by the South Manchuria Railway Company in its major affiliates in Manchokuo and North China, *Domei* learned Jan. 16.

The funds will be allotted to the following firms:

| | |
|---|---|
| The Showa Steel Mfg. Co., Ltd. | Yen 9,000,000 |
| The Manchuria Coal Mining Co. | 8,000,000 |
| The Hsing Chung Kungssu (N. China) | 8,750,000 |
| The Manchuria Development Co. | 7,000,000 |
| The Manchuria Light Metal Co. | 3,500,000 |
| The Manchuria Gold Mining Co. | 1,250,000 |

Additional funds will also be invested in the projected dock company and the Manchuria Light Metal Company.

## Documents Seized at Chengchow Reveal Japanese Espionage

The documents seized by the Chinese police during the raid on a Japanese secret service organ in Chengchow Jan. 5 revealed the art and practice of Japanese intrigue and espionage in northern Honan—aiming eventually at the creation of large-scale disturbances in China. The more important documents have been translated into Chinese by the Special Administrative Commissioner's Office for the 1st Area of Honan. The following are parts of the disclosures:

Exhibit No. 1.—Craftily induce Koreans resident at Tientsin to go to Honan to sell ordinary merchandise as well as various kinds narcotics. Instruct those Korean or Japanese in our confidence to give them all the necessary facilities including loans or capital, travelling expenses or ordinary commercial articles. They must not, however, know that they are backed by the influence of this organ.

In the meantime, propaganda work should be started in Honan in favor of such trade so as to divert the attention of the Chinese authorities away from this organ. In case of illegal arrest, extradition should be immediately requested. Negotiations should also be started with a view to escorting the culprits from Honan by airplane. On the other hand, various demands should be presented. Funds should also be employed to buy over the Chinese authorities. After the enforcement of aviation arrangements, this organ will be made the agency of the aviation corporation.

Exhibit No. 2.—The Chinese authorities at Chengchow are keeping a very strict watch here over our activities. The development of our plans is well nigh impossible as already reported. Chinese must be employed to carry out espionage activities.

Since the execution of the liaison agent of the (Japanese) Military officer, the lives of the Chinese spies are also in great danger. Their treatment should not, therefore, be similar to that of the spies in Tientsin.

Chang Mu-chu, recommended by Pao Kuan-cheng, arrived here recently to take up his job but was cowed by the threats of the officials of the Bureau of Public Safety so that he had to leave Chengchow. He was, therefore, despatched to Kaifeng and later returned to Tientsin.

It is planned to instruct Chang and Pao's secretary, named Cheng (a native of Honan and formerly Chief Secretary of the Harbin Municipal Government), to organize a small newspaper office at Chengchow. The paper will be issued as an experiment on a small scale for two or three months. The initial expenses to be about $500, and the monthly subsidy $200. We hereby request you to consider and approve this plan.

Although the expenses for spies in Chengchow are fixed at $300 per month, (the expenser for) the Chinese agents are not fixed (excluding the servants). In view of the local situation as described above, this fund is indeed insufficient to secure the co-operation of the bandits and militia as well as other investigations in this Area. We hereby request you to devise remedial measures.

Exhibit No. 3.—(Leakage of secrets). This organ, in a communication to the Consul some time ago, stated that the use of the title of Cultural Research Institute must be kept secret. In the course of his conversation today with Colonel ...., a research worker in Chinese affairs at Chengchow, Secretary Chang of the Special Administrative Commissioner's Office for the 1st Area said:—

'We have made an inquiry at the Consulate concerning the Cultural Research Institute. According to ...., Director of the Police Department of the Consulate, this Institute is a special affairs organ specially established at Chengchow by the Japanese Army at Tientsin.'

This Colonel immediately transmitted this information to this organ. The fears of leakage of secrets by the police officials of the Consulate are now confirmed. Moreover, .... hoped for transfer (specially to Chefoo). Two days ago he left Chengchow with his family for Japan. We have transmitted this information to the Japanese Consul at Chengchow (?).

Although the Chinese authorities now know that this organ is a military organ, they have not demanded our withdrawal. However, they have informed Colonel .... that 'As a matter of principle we only welcome merchants to reside in commercial ports. The existence of military and political organs is not permissible.'....

Exhibit No. 4.—Sino-Japanese relations are in a critical condition. From Chiang (Kai-shek) downwards, all refer to Japan as the 'enemy'. The anti-Japanese agitation is becoming daily more serious.

Central China, in order to prevent the extension of Japanese influence from North China, regard the Yellow River as their line of defence.

In both military, political and commercial affairs, precautions are taken against the penetration of Japanese influence.

Honan is the first line of defence while the Yellow River is the front protected by the Lung-Hai Railway and joined to the rear by the Tientsin-Pukow and Peiping-Hankow Railways as well as the numerous highways and air routes.

Chengchow, being the point of junction between the Peiping-Hankow and Lung-Hai Railways, can be called a strategic point.

Since this is a commercial port, the Chinese authorities cannot prohibit Japanese from residing here. However, the Chinese authorities have often declared: 'Although merchants are permitted to reside in commercial ports, the residence and activities of military and political agents are not countenanced.'

Nominally, they are protecting us; in fact, they are watching our movements and are never away from us for a moment. The Consul adopts a laissez-faire policy towards the actions of the Chinese authorities. He only says, with a sigh, 'Diplomacy not backed by concrete force is nil.'

The Lung-Hai Railway Administration buys no Japanese goods. The Kaifeng City Chamber of Commerce launches a publicity campaign against Japanese sugar, saying that it contains poison. Any Chinese who buys Japanese goods is arrested.

Although they declare their desire to promote friendly relations with neighboring states, they have, in fact, merely used every means of driving away the Japanese. There is little hope for the readjustment of Sino-Japanese relations. Even if some result is achieved in the future, it will only be a tentative method of avoiding war.

Unless a special change takes place, Sino-Japanese co-operation is unimaginable After drifting for several years, a major crisis is bound to occur. Herein lies the aim of the establishment of the organ at Chengchow.

The scholar Sun (Sun Wu, famous Chinese military strategist) in his essay entitled Yung Chien Pien said: 'He who covets high rank and emoluments but does not know the actual situation of the enemy is utterly inhuman (oblivious of his duty). He is not worthy to be a general nor an advisor to the Emperor. Never can he meet with success.'

The organ at Chengchow is established, in spite of great difficulties, at a strategic point in order to gather information regarding the enemy. Personal hardships are borne without complaint. It is contrary to the aim of this organ and the spirit of sacrifice to fail to obtain information regarding the enemy. However, what is the actual situation at the organ in Chengchow?

## Movements and Appointments in Diplomatic and Official Circles

W. M. Kirkpatrick, Representative of the Export Credits Guarantee Department of the British Government, who arrived in Shanghai from England on Jan. 11, proceeded to Nanking Jan. 16. The main purpose of his trip to Nanking was to meet Sir Hughe Knatchbull-Hugessen, who arrived in the Capital from Peiping by rail the previous night.

Signor Ouilio Cora has been appointed by the Italian Government as the Italian Ambassador to China, succeeding Signor Vincenzo Lojacono, who has been transferred to a similar post in Brazil. The appointment has been approved by the Nanking Government.

The 98-year old educator, Hsiang-po, founder of the Fuh Tan and the Aurora Universities, Shanghai, and Dr. Wang Chung-hu, former judge of the Permanent Court of International Justice at the Hague, have been appointed Councillors of the National Government.

Ho Po-hsiang and Ma Ching-chi, were appointed members of the Overseas Affairs Commission, Jan. 14.

Chou Chih-tse was appointed a Judge of the Supreme Court at a meeting of the Judicial Yuan in Nanking Jan. 12.

Chang Shou-mo has been appointed Consul-General at Johannesburg, South Africa; and Tsou Chia-yung as Second Secretary of the Legation at Angora, Turkey.

The resignation of Lu Fu as President of the Hopei Provincial College of Law and Commerce was accepted by the Provincial Department of Education Jan. 17. Teng Che-hsi, President of the Hopei Provincial High Court, is slated as his successor.

Wu Tsun-sheng, dean of the College of Education of the National Peiping University, sailed this week for Europe and America to investigate the latest educational developments in various foreign countries. He expects to return to China by the end of next September.

The U.S. Government Jan. 9 formally confirmed the appointment of Eugene Dorman, assistant chief of the Far Eastern Division of the State Department, as new Counsellor of the American Embassy in Tokyo.

## Seven Japanese Held as Communist Agents in North

Seven Japanese, alleged by the Kwantung Army to be Communist agents operating under orders from Third International branch headquarters in Shanghai, are awaiting trial at Hsinking on charges of violating the Peace Preservation Law. Charged with being the ringleader of the group, which was allegedly engaged in obtaining military and political information in Manchukuo, is Tatsuki Soejima, a native of Nagasaki prefecture, who was arrested in Hsinking on Jan. 9 last year. According to the communique, Soejima gave the names of 12 "accomplices," who were arrested in Manchuria, Japan and North China. Six were later released because of lack of evidence.

Among the latter is Hirotoshi Tejima, 31, described as a newspaperman who formerly worked on one of the Japanese dailies in Shanghai. He was taken into custody in Peiping.

*Just off the Press*

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## Latest New York Stock Exchange Quotations

January 20, 1937

Stock Exchange—Business Done:-

Total Volume: 2,620,000

| 1936—37 High | 1936—37 Low | Div. $ per sh. | STOCK | Last Sale Jan. 18 | Last Sale Jan. 19 |
|---|---|---|---|---|---|
| 18¼ | 9⅝ | 0.35 | Adams Express | 18¼ | 18⅛ |
| 137½ | 110 | 4.00 | American Can | 116 | 115 |
| 40⅜ | 29¼ | 0. 0 | American Cyanamid "B" | 34⅜ | 34¼ |
| 13½ | 6⅜ | — | American & Foreign Power | 13¼ | 12⅝ |
| 68¼ | 29⅜ | — | American & Foreign Power $7 pfd. | 68¾ | 66 |
| 27⅜ | 16⅜ | 0.60 | American Radiator | 25⅞ | 25⅝ |
| 189¼ | 149½ | 9.00 | American Tel. & Tel. | 183⅜ | 183⅛ |
| 104 | 88½ | 5.00 | American Tobacco "B" | 95⅝ | 97 |
| 29½ | 19¾ | 0.80 | American Waterworks | 29 | 27⅝ |
| 57⅜ | 28 | 1.00 | Anaconda Copper | 54½ | 53¼ |
| 88½ | 59 | 2.00 | Atchison, T. & S. Fe | 74¼ | 75 |
| 54¼ | 26⅝ | — | Auburn | 31⅞ | 31⅝ |
| 26¼ | 15⅝ | — | Baltimore & Ohio | 23⅜ | 23 |
| 78¼ | 45⅜ | 1.50 | Bethlehem Steel | 76½ | 75⅝ |
| 37⅜ | 16⅝ | — | Boeing Airplane Co. | 36⅝ | 35½ |
| 16 | 10⅜ | — | Canadian Pacific Railway | 15⅜ | 15⅜ |
| 186 | 92½ | 4.00 | Case, J. I. | 162½ | 161½ |
| 50 | 34 | 1.40 | Chase National Bank | 50 | 50⅜ |
| 100 | 59 | 3.00 | Chesapeake Corp. | 88½ | 88 |
| 77½ | 51 | 2.80 | Chesapeake & Ohio | 67⅛ | 66⅝ |
| 137⅝ | 85½ | 12.00 | Chrysler | 121⅝ | 121⅝ |
| 23⅜ | 14 | 0.60 | Columbia Gas & Electric | 19⅝ | 18⅝ |
| 24⅜ | 14¼ | 0. 0 | Coml. Solvents | 19¼ | 19⅛ |
| 5½ | 2¼ | — | Commonwealth & Southern (ord.) | 4¼ | 3⅜ |
| 48¼ | 27¼ | 2.00 | Consolidated Edison | 46¾ | 46⅝ |
| 17 | 11½ | 0.80 | Consolidated Oil | 16½ | 16⅜ |
| 45 | 28¼ | 1.00 | Continental Oil | 44 | 44 |
| 82½ | 63⅝ | 3.00 | Corn Products | 70¼ | 70⅜ |
| 82¼ | 50⅝ | — | Douglas Aircraft | 74¼ | 72⅝ |
| 184¼ | 133 | 3.60 | Du Pont de Nemours | 179 | 178 |
| 28 | 15⅝ | — | Electric Bond & Share | 27¼ | 26 |
| 61 | 34½ | 0.90 | General Electric | 61 | 60½ |
| 44 | 33⅜ | 1.80 | General Foods | 42¾ | 42⅜ |
| 76¾ | 58⅜ | 2.00 | General Motors | 66⅜ | 66⅝ |
| 61½ | 32½ | 1.00 | General Railway Signal | 61⅜ | 61 |
| 35 | 18¾ | 1.00 | Goodrich (B. F.) | 33⅝ | 33¼ |
| 32¼ | 21⅝ | — | Goodyear Tire & Rubber | 32 | 32 |
| 82½ | 57 | 1.00 | Humble Oil | 82½ | 82⅝ |
| 66 | 48¼ | 1.60 | International Nickel | 63¼ | 63⅜ |
| 19¼ | 11½ | — | International Tel & Tel. | 13½ | 13⅜ |
| 64 | 26¼ | 1.70 | Kennecott | 60⅞ | 60 |
| 71½ | 43 | 2.00 | Loew's Inc. | 71¼ | 73⅜ |
| 26½ | 21¼ | 1.20 | Lorillard | 23⅝ | 24 |
| 103 | 79 | 1.00 | Monsanto Chemical | 100⅝ | 99 |
| 68 | 35⅜ | 2.00 | Montgomery Ward | 58 | 57 |
| 44⅜ | 29 | 1.00 | National City Bank | 42¾ | 41⅜ |
| 28¼ | 21 | 1.20 | National Dairy Prods. | 24¼ | 23⅜ |
| 33⅜ | 25⅝ | 2.00 | National Distillers | 28¼ | 28⅛ |
| 14⅞ | 9⅝ | 0.60 | National Power & Lt. | 14⅜ | 13⅜ |
| 49⅝ | 27⅜ | — | New York Central | 43⅞ | 43⅛ |
| 36⅜ | 29¼ | 1.00 | North American | 33⅞ | 32⅛ |
| 41 | 30⅜ | 2.00 | Pacific Gas & Electric | 37⅛ | 37⅛ |
| 58⅜ | 46⅜ | 3.00 | Pacific Lighting | 53 | 52⅛ |
| 13⅜ | 6⅜ | 0.45 | Packard Motors | 11¼ | 11⅛ |
| 45 | 28¼ | 2.00 | Pennsylvania Railroad | 43 | 42⅛ |
| 52⅜ | 38⅛ | 1.00 | Phillips Petroleum | 51 | 51 |
| 52¼ | 39 | 2.40 | Public Service of N. J. | 52 | 5 ⅝ |
| 14¼ | 9⅜ | — | Radio Corporation of America | 11⅜ | 12⅛ |
| 60⅜ | 50 | 3.00 | Reynolds Tobacco "B" | 56⅛ | 57⅛ |
| 55⅜ | 37⅜ | 3.00 | Schenley | 44 | 43⅜ |
| 101¼ | 59⅝ | 2.00 | Sears Roebuck | 86⅜ | 85 |
| 17⅜ | 12½ | 0.70 | Socony-Vacuum | 17 | 16⅜ |
| 32¼ | 25 | 1.50 | Southern California Edison | 32 | 31⅛ |
| 48⅜ | 23½ | — | Southern Pacific | 48 | 47⅜ |
| 18 | 14⅜ | 0.80 | Standard Brands | 16¼ | 15⅜ |
| 13⅜ | 5¼ | — | Standard Gas & Electric | 13⅛ | 12⅛ |
| 70 | 51¼ | 1.00 | Standard Oil Co. of N. J. | 68⅝ | 69¼ |
| 78½ | 65 | 3.80 | Sterling Products | 73⅜ | 73½ |
| 44½ | 33 | 2.00 | Texas Gulf Sulphur | 40⅜ | 40 |
| 18 | 11 | 0.40 | Transamerica | 16 | 16⅛ |
| 105 | 71⅜ | 2.80 | Union Carbide & Carbon | 105 | 104 |
| 149⅜ | 108½ | 6.00 | Union Pacific | 131½ | 131 |
| 32⅜ | 20⅜ | 0.50 | United Aircraft (New) | 30⅝ | 29⅜ |
| 24⅛ | 13 | 0.20 | United Airline Trans. | 22⅜ | 22⅜ |
| 9¼ | 5⅜ | 0.20 | United Corporation | 8 | 7⅜ |
| 19½ | 14¼ | 1.00 | United Gas Improvement | 16⅜ | 15⅜ |
| 59 | 31¼ | — | U. S. Indus. Alcohol | 38¼ | 38 |
| 51¼ | 16⅜ | — | U. S. Rubber | 51 | 5 ⅝ |
| 8[illegible] | 46⅜ | — | U. S. Steel | 84⅛ | 83⅛ |
| 32⅝ | 16¼ | — | Vanadium | 31 | 30⅝ |
| 18 | 9¼ | — | Warner Bros. Pictures | 17 | 17 |
| 154⅛ | 94½ | 4.50 | Westinghouse Electric | 152⅛ | 153¼ |

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